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Trafficking in Humans: Big Business in Europe Light Penalties and Huge Profits Spell a Boon for Organized Crime

By Marlowe Hood

Special to the Herald Tribune

PARIS — The anti-narcotics officers of the Belgian national police had been waiting for months to arrest a certain Nigerian heroin smuggler. Then last spring, with information gleaned from a phone tap about a shipment arriving by cargo freighter, the opportunity was finally at hand. Arrests and seizure unfolded in textbook fashion.

Except that is, for one unanticipated detail: The contraband was not narcotic but human — six West African women whose price of passage was to have been indentured servitude in Belgium's prostitution industry.

Migrant trafficking, once a minor part of clandestine migration, has mushroomed into a billion-dollar business that has caught Western Europe off guard. Governments at both ends of the smuggling trail, and at way stations in between, are just beginning to take hastily planned measures.

Although hard figures are difficult to come by, illegal immigration has escalated dramatically over the past two years and organized crime has become much more heavily involved, police officials, immigration experts, academics and government officials said.

Command fees of \$250 to \$25,000, professional traffickers have smuggled as many as a half-million illegal immigrants — from as close as Russia and Eastern Europe to as far as China, India and Zaire — into West European countries in the past two years, according to Jonas Widgren, director of the International Center for Migration Policy Development, a government-funded think tank in Vienna.

Migrant trafficking, in other words, has been a boon for organized crime. "It's the same organizations, same money-laundering systems, same safe houses, same personnel — just a different commodity," said Major John Allear of the Belgian national police, who two years ago set up what remains one of Western Europe's few law enforcement units dedicated to combating migrant smuggling.

"We are talking about very sophisticated, far-flung networks with access to high-tech communications equipment and the best legal advice money can buy," he said.

For organized crime, the incentives are enormous.

"Trafficking is happening not just to get people into a country but to exploit them in underground economies once they are there," said Jean-Pierre Garson, administrator of the international migration and labor market policies division of the Organization for Economic Cooperation and Development.

Not only is migrant smuggling every bit as lucrative as drug smuggling, it is far less risky, police said. Compared to the penalties for trafficking large quantities of illegal drugs, those imposed for trafficking human beings are trivial.

In the Netherlands, for example, alien smuggling was not even a crime until January 1994 and is still only punishable by a maximum of one year in prison. Of 55 convictions in the past two years resulting from arrests by Mr. Allear's unit in Belgium, only three or four are still in jail.

The phenomenon of trafficking already threatens to undermine the very fundament of national immigration systems," said Mr. Widgren, a former undersecretary of state for immigration in Sweden and one of a handful of specialists in Europe who has studied migrant trafficking closely. "The pressures causing the problem are increasing."

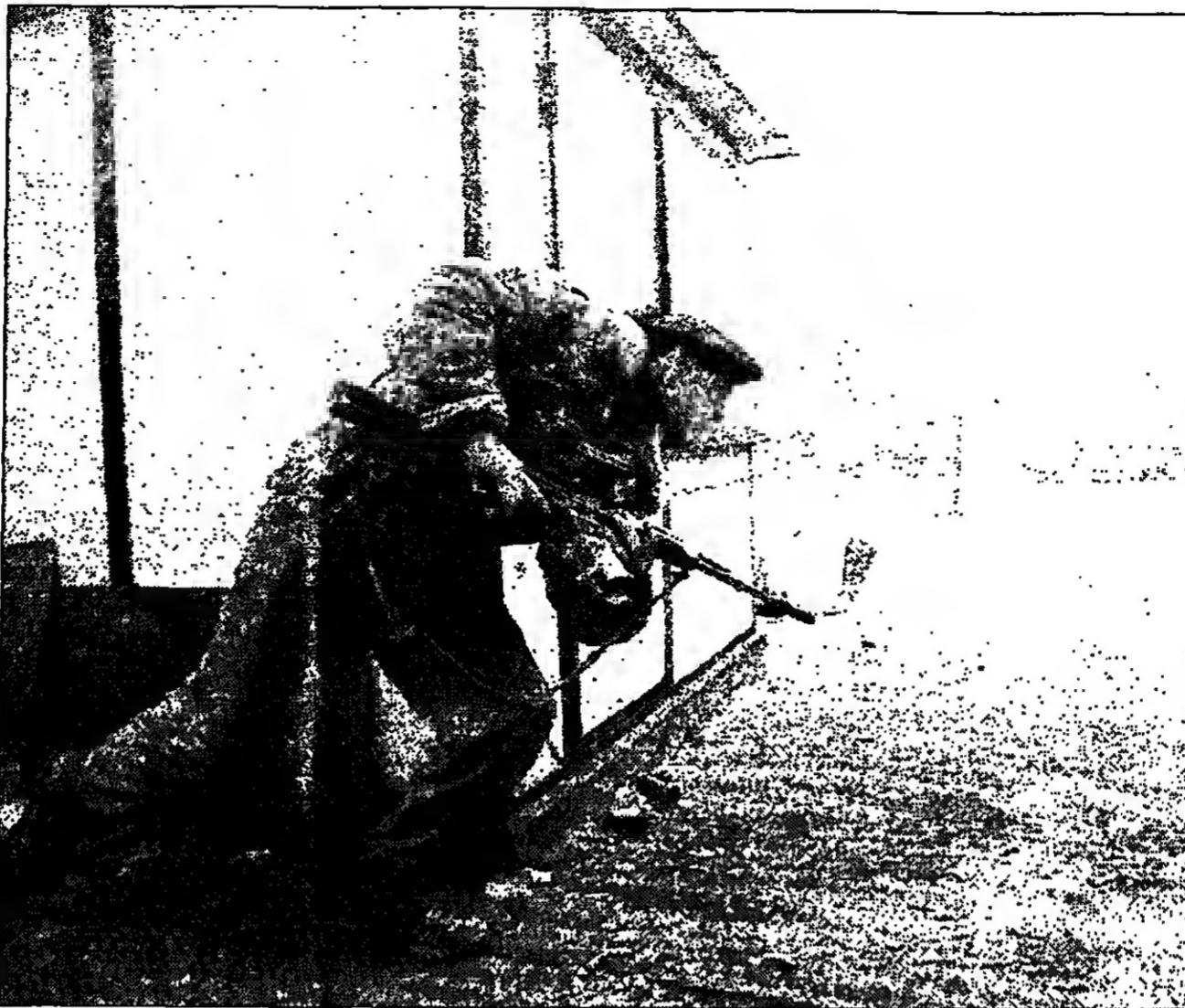
Among those pressures are worsening conditions in countries of origin ranging from war to political persecution to poverty, and the lure of low-wage jobs in wealthy countries.

The dissolution of the Soviet Union and the East Bloc not only added to the flow of migrants, but has also opened up innumerable smuggling routes from East, South and Central Asia.

Such was the case for a hapless group of more than 100 Pakistani migrants stranded by smugglers in the Russian wilderness this summer after paying \$5,000 each for passage to Germany. Several died from exposure.

At about the same time, to cite another among dozens of recent examples, Swiss border police arrested 12 Peruvian women who were en route to underground jobs in Italy after having crossed the Czech Republic, Hungary and Austria. And in August, a *Bucharest* newspaper reported that "almost every night groups of Asian clandestine migrants — Afghans, Chinese, Indians, Kurds, Pakistanis, among others — can be found camping outside the Roma-

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A Chechen fighter sprints for position on Monday during heavy fighting with Russian forces in central Grozny. (Yuriy Balashov/Reuters)

Rebels Check Russian Drive in Grozny No Clear Advantage Seen as Street Battles Leave Many Dead

By James Rupert

Washington Post Service

GROZNY, Russia — Chechen guerrillas on Monday forced back the Russian Army's assault in the center of the capital amid heavy casualties and widespread destruction.

Dozens of destroyed Russian armored vehicles and dead soldiers littered the streets of central and southwestern Grozny, while battles continued to rage in the northwest and east.

It remained uncertain whether Russian forces in Chechnya, estimated at more than 10,000, will be able to capture the rebel capital, but it was clear Monday that they had failed in their first attempt.

As Russian troops retreated, Russian gunners and pilots continued to shell and

bomb Grozny, including residential areas, although less intensively than on Sunday, when they rained explosives onto the city.

Russian planes attacked surrounding rural areas, in one case rocketing an isolated roadside marketplace, killing at least two civilians. Amid the chaos here, it remained difficult to estimate casualties among either soldiers or civilians.

Chechens, fighting in small groups with anti-tank rockets and small arms, broke up at least one major Russian armored column, isolating many of its vehicles in city streets before capturing or destroying them.

Grozny's railroad station plaza is "a cemetery" of Russian armored vehicles, some of them jammed so close together that it was hard to walk between them."

said Anatoli Shabad, a Russian legislator who toured the city center.

The three-day assault on Grozny has been "a complete military catastrophe for the Russian Army," Mr. Shabad said. He said he had counted 30 destroyed Russian tanks and armored personnel carriers in central Grozny. "That means a minimum of about 150 Russian soldiers dead, wounded or captured." But he added that "the full figure is more likely somewhere around 400 to 500."

Mr. Shabad said Russia's assault had been crippled because its troops here are disoriented and demoralized.

"They didn't know the roads here, and they didn't understand what their mission

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Beijing Builds Military to Enforce Territorial Claims, Experts Say

By Patrick E. Tyler

New York Times Service

BEIJING — As Chinese diplomats talk of peaceful coexistence with their Southeast Asian neighbors, China's military leaders are refurbishing a portion of their large and antiquated military to enforce claims of sovereignty over the South China Sea and its resources, Chinese and Western experts say.

At stake are potentially vast oil reserves, minerals and fishing grounds that intersect some of the world's busiest shipping lanes. With energy demands surging along with the population, oil supplies are falling

behind in China, which in 1993 became a net importer of oil for the first time. So Beijing is likely to attempt to secure any major oil discovery in the South China Sea.

A group of former American military leaders who visited China last year reported that China was forming a limited military force "capable of rapid response" and designed to protect "island claims in the South China Sea as a matter of national priority."

The group was led by former Defense Secretary Robert S. McNamara and four recently retired senior military officers, including David E. Jeremiah, a for-

mer vice chairman of the Joint Chiefs of Staff, and James P. McCarthy, a former deputy commander of U.S. forces in Europe.

Although comprehensive military modernization remains a distant goal for China, these and other experts say, Beijing has in recent years built up its military in specific areas by:

- Improving its ability to fight a sustained sea battle with its fleet of surface warships, supply vessels and submarine forces.
- Negotiating with Russia for the purchase of a

total of 72 advanced Su-27 attack aircraft capable of providing close air support for naval operations at extended range.

• Organizing a band of marine units for amphibious assault and training airborne forces for rapid deployment in Soviet-made transport aircraft. One such force is based on Hainan Island for quick dispatch to the Spratly and the Paracel, two island chains in the South China Sea.

• Developing mobile, conventional-warhead mis-

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Rabin Stops A Settlement, Saying Peace Comes First

Israelis Assail Proposal For an Alternative Site; Palestinians Also Object

By Clyde Haberman

New York Times Service

JERUSALEM — A bitter dispute over the expansion of a Jewish settlement in the occupied West Bank took a new and uncertain turn Monday when the Israeli government halted construction at a site that had been the focus of Palestinian protests for more than a week.

Hoping to placate the settlers, the government agreed to let them build a planned complex of 500 apartments at a different location, a hilltop somewhat closer to the center of their community, Efrat, and farther from the nearby Arab town of Al Khader.

But it was far from clear whether this action would defuse a tense situation that has shaped up as an important test of Israeli-Palestinian relations as the two sides continue negotiations on how to transfer authority to Palestinians and reposition Israeli soldiers in the West Bank.

"We want peace and we want an agreement, we do not want a binational state," Prime Minister Yitzhak Rabin was quoted as saying. The claim of Israeli rightists to huge portions of the West Bank would mean absorbing hundreds of thousands of Palestinians.

"We are talking about a territorial compromise that will secure Jerusalem," Mr. Rabin said. "Whoever wants Jerusalem to reach to Hebron and Ramallah and Jenin will only hurt chances of keeping Jerusalem united," he said.

But the immediate effect of the government decision was to please virtually no one.

Settlers saw it not as a compromise but as a veiled attempt to kill new construction in Efrat, eight kilometers (five miles) southwest of Bethlehem, and by extension in other settlements among the approximately 125 in the West Bank.

Palestinian leaders denounced any settlement expansion as unacceptable and warned that it could cause peace talks to fall apart. In the last few days, protests at Efrat had begun to have ripple effects elsewhere in the West Bank, with Palestinians protesting what they called recent Israeli expropriations of their land near the towns of Ramallah, Nablus and Tulkarm.

Israeli opposition leaders accused Mr. Rabin of buckling under pressure from Yasser Arafat, the leader of the Palestinian self-rule authority, who was among those warning that the fate of negotiations was on the line.

Even within the Rabin government, some ministers did not like the announced compromise.

Those on the left agreed with the Palestinians that construction at Efrat should come to a full stop while more right-leaning cabinet members contended that if Israel were to yield on this matter now, planned construction projects in and around Jerusalem — ultimately, the main

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Kiosk

Liberians Claim Breach in Truce

MONROVIA: Liberia (Reuters) — Two of Liberia's chief warlords accused each other Monday of breaking a four-day-old cease-fire meant to end their five-year civil war.

Alhaji Kromah, leader of the United Liberation Movement's militia, said his men were under attack in central Liberia by the forces of Charles Taylor. Mr. Kromah warned that his troops would respond if their opponents did not pull back within three days.

Taylor's forces have launched an offensive against our positions in Bong County," Mr. Kromah said in a radio interview. "We will not stand by and allow his offensives to continue."

Mr. Taylor, who started the civil war in 1989, denied the charge and said that the United Liberation Movement had attacked his men in the St. Paul river area, but that he remained committed to peace.

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BETTER OFF THE ROAD — Germans sledging Monday beside old tank barriers in the winter's first snow near Simmerath, south of Aachen. There were more than 1,000 traffic accidents in Germany, with three people killed.

Low-Voltage Rural India Is Plugging Into the Status Symbol Game

By Molly Moore

Washington Post Service

BARHANA, India — Hawa Singh was the first resident in his village to buy a washing machine, but his wife, who lugs water from the community hand pump in brass pots atop her head, hasn't used it in more than a year.

His neighbor, Santosh Singh Ahlawat, has a new refrigerator standing in the center of her living room. She uses it mostly as a high-tech cupboard because the village has no power during the day.

Even though washing machines and refrigerators may have little practical use in a farm hamlet with no running water and only a few hours of electricity each night, they have become status symbols in a consumer buying spree that is revolutionizing the aspirations and desires of rural Indians and spawning one of the world's fastest growing consumer marketplaces.

The impact of this consumer wave on rural India has been mixed. While modern conveniences have joined to change the face of rural villages and reshape spending habits.

"Rural India is in the middle of a boom," said Titoo Ahluwala of the Bombay-based Marketing and Research Group, a prominent Indian market research firm. "Villagers are beginning to see products that have never touched their lives before, and television is the driver."

Television has brought the lifestyle of the urban middle class, with electric kitchen gadgets, motor scooters and fancy furnishings, to villages where women still walk more than a mile for water and collect cow dung to fuel their cooking fires. Economic reforms have filled country shops with luxury items available to only the urban upper classes just five years ago.

The impact of this consumer wave on rural India has been mixed. While modern conveniences have brought some improvement in lifestyles, the growing appetite for material possessions is also stoking greed, sending families deeper into debt, driving marriage dowry costs higher and prompting growing numbers of young people to leave the villages for more lucrative jobs in the city.

"Refrigerators, washing machines, televisions — all this is worthless because we have no electricity," said Dharampal Singh Ahlawat, 40, who lives in this agricultural village in the northern state of Haryana.

"But everyone wants the neighbors to see what they have. It's just for showing off."

Hawa Singh, 52, who travels two hours each day to an airport job in New Delhi, argued that washing machines are "good for the women and help them in

their work" and "TV is good for the kids to hear things from outside the village," even though his wife has used the washer barely 20 times in the five years he has owned it and the television is kept packed away in a box.

"Possession becomes more important than usage," said Narayan Swamy, senior vice president of Indica Research, a New Delhi market research firm. "So what if it doesn't blend with your rural lifestyle?"

Anil Kumar, 26, owns one of the half-dozen television repair shops that have opened in the last five years in Dighal, Barhana's neighboring town.

"Television is like a fashion," Mr. Kumar said. "It's something everybody wants to have." Even, he added, if the few hours of electricity the villages receive each

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Dictators Flourish in Africa

Western Aid No Longer Tied to Reform

By Keith B. Richburg

Washington Post Service

NAIROBI — All across Africa, dictators, military men and traditional autocrats are showing their resilience as democratic movements fade, while Western aid donors seem willing to accept economic modernization, without political reform, as sufficient reason to continue the funds.

Democracy has begun to take root and flourish elsewhere around the world — in Eastern Europe, Latin America and Asia. But Africa in many ways seems to defy the trend, despite a few successful democratic transitions.

Africa's traditional dictators and tribal chieftains — the "Big Men" — have proven surprisingly tenacious. And with Western and American interest in Africa waning, the Big Men are finding it easier to implement merely cosmetic changes implemented by authoritarian rulers.

There have been a few noteworthy successes, particularly in South Africa, where Nelson Mandela became president last year.

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Newsstand Prices	
Bahrain	...0.00 Din
Cyprus	...£ 1.00
Denmark	14.00 D.Kr.
Finland	11 F.M.
Gibraltar	...£ 0.25
Great Britain	£ 0.85
Egypt	...E.P. 5000
Jordan	...J.D.U.A.E.
Kenya	K. Sh. 150
Kuwait	...\$00 Fils

Bosnian Croats Sign UN Truce Accord

Only Krajina Serbs Hold Out Among the Warring Parties

Compiled by Our Staff From Dispatches

SARAJEVO, Bosnia-Herzegovina — The United Nations won wider backing Monday for the nationwide truce in Bosnia as the Bosnian Croats signed the accord.

The Muslim-led Bosnian government and the Bosnian Serbs, who are the chief antagonists in the 33-month conflict, signed the four-month truce agreement on Saturday.

Only the Serbs from the Krajina region of Croatia, fighting in the northwest Bihać enclave, have yet to sign the pact that was brokered last month by former President Jimmy Carter of the United States.

Mr. Carter worked out the broad lines of the cease-fire, but it fell to the UN commander in Bosnia, Lieutenant General Michael Rose, to nail down the details.

The agreement was signed in the Croatian stronghold of Mostar in southern Bosnia, after the United Nations repeatedly voiced its concern over reports that Bosnian Croatian troops, initially not a party to the accord, were still fighting the Serbs.

Fighting in Bihać, involving Bosnian and Krajina Serbs alongside rebel Muslims against the Bosnian government army's 5th Corps, threatened to torpedo the truce last week.

UN sources said the UN's commander in the former Yugoslavia, General Bertrand de Lepesle, raised the issue with the leader of the Krajina Serbs, Borislav Mikelic, during talks at Zagreb airport on Monday. No results were announced as yet.

"We are trying to put an end to Serb involvement in Bihać fighting, now that the truce has taken effect," a UN source said.

The front lines in Bosnia remained largely quiet Monday, but the truce was violated in

Sarajevo when a missile slammed into the Holiday Inn. There were no casualties.

"It could have been fired by the Bosnian Serbs but we can't confirm it," said a UN spokeswoman, Captain Miriam Sudak.

Prime Minister Haris Silajdžić of Bosnia said the attack was aimed at keeping pressure on the Sarajevo government "to accept a political solution favorable to the regime in Belgrade."

The United Nations expressed the hope that the accord would lead to an early resumption of peace talks on a negotiated settlement of the Bosnian conflict.

"Cessation of hostilities is not an end in itself," said another UN spokesman, Alexander Ivanko. "What it does is provide conditions on the ground so that a negotiated and fair political settlement could be reached in Bosnia."

The rivals now face a difficult task of negotiating minute details of the agreement, including opening of roads and disengagement of forces along the 1,600-kilometer-long (1,000-mile) confrontation lines.

Mr. Ivanko said there was no time to be lost.

"The further both parties will be down the road to peace, the harder it will be for them to go back to war," he said.

For the Muslim-led government, an important test of Serbian goodwill would be the re-opening of roads to civilian traffic into Sarajevo.

The UN special envoy, Yasushi Akashi, said he expected the warring parties to return to the negotiating table within weeks in talks organized by the five-nation "contact group" on Bosnia: the United States, Russia, Germany, France and Britain.

(Reuters, AFP, AP)



The photograph released by North Korea of Kim Jong Il's New Year's Day appearance, his first since October.

North Korea's Kim Surfaces for Photo

Compiled by Our Staff From Dispatches

SEOUL — North Korea released a photograph of Kim Jong Il on Monday in an apparent attempt to stifle rumors that the new leader was suffering from debilitating ill health and facing a power struggle.

Mr. Kim has been conspicuously absent from public life since the July 20 funeral of his father, Kim Il Sung. Speculation over his grip on power deepened Sunday when he failed to make North Korea's traditional New Year's Day address.

A black-and-white photograph, released through the Tokyo-based Korea News Service, showed Mr. Kim bundled up in a winter coat and fur hat and

smiling as he received a bouquet of flowers from a soldier of the North Korean People's Army.

The caption did not mention where the picture was taken, but the North's official press reported Sunday that Mr. Kim had a picture taken with soldiers during his New Year's Day visit to an army barracks. It was his first public appearance in two months.

Mr. Kim was also reported by the North's press agency, KCNA, to have exchanged New Year's cards with foreign leaders, including China's senior leader, Deng Xiaoping, and President Fidel Castro of Cuba.

In the photograph, Mr. Kim appeared to have regained some weight. The last

time he appeared in public, he seemed to have lost a considerable amount of weight, fanning rumors of kidney and liver ailments.

Mr. Kim, 52, has been groomed to take over from his father, but so far he has rarely appeared in public, and the government has not yet said he has assumed the posts of state president and Communist Party general secretary.

South Korea's national news agency, Yonhap, noted that Mr. Kim chose a missile unit south of Pyongyang as the place to visit on New Year's Day.

"By traveling a relatively long distance, Kim may have been trying to show that he has no health problem," Yonhap said.

(AP, AFP)

RUSSIA: No Clear Advantage Is Seen as Street Battles Leave Many Dead

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he is supposed to be," he told journalists in a town on the Chechen border.

As of Monday morning, Mr. Shabot said, the Chechens held 20 Russian prisoners at the presidential palace, where he had been staying. A police commander in Grozny said the Chechens had a total of more than 100 Russian prisoners.

By early afternoon, Russian troops and tanks continued to battle for the main industrial zone in northwestern Grozny, the police commander said. But in other areas, journalists found Chechens holding sites where Russian earlier had advanced and been forced back.

On Saturday and Sunday, officials in Moscow claimed that Russian troops controlled the area around the presidential palace and the railroad station. But journalists found Chechens holding both locations Monday morning.

At the presidency, guerrillas waved the Chechen flag and shouted triumphantly for television crews that reached there. Still, the battle in the center continued, with Russians shelling the area and exchanging rifle and machine-gun fire with the rebels.

For the third day, Grozny remained a disorienting nightmare. In muddy, icy streets, explosions erupted from behind a veil of smoke and fog.

In a broad, misty plaza at the city's center, as gunfire crackled nearby, a television crew found a young woman sitting dazed on a park bench in her coat and knit cap. A few yards from her feet lay an unexploded tank shell.

Amid the chaos, a complete picture of the battle was impossible.

But across the center and southwest of the city a trail of charred Russian tanks and soldiers' bodies illustrated the bloody defeat of a Russian thrust that had aimed to encircle the main part of the city.

The Russians' farthest advance was marked Monday

morning by the bodies of five soldiers from a light tank captured by Chechens in a firefight. At a police station nearby, Chechen rebels presented three other crewmen from the tank whom they had captured.

The prisoners said their tank was part of an armored column that had pushed southwest through the city late Sunday. In the confusion of gunfire and unfamiliar streets, "we got lost," said a 19-year-old crewman named Volodiy.

"We didn't know where to go. We wanted to get back," he said. "We realized we were going in circles," he said. The crew

was captured while covering the war in Chechnya for his newspaper, the Itar-Tass news agency reported.

He previously had covered the war in Afghanistan as well as numerous armed conflicts in the former Soviet Union.

Mr. Zhaiarenko, who worked for the military daily Krasnaya Zvezda, was killed Sunday while reporting on fighting in the Chechen capital of Grozny, the Defense Ministry said.

A journalist for 30 years, Mr.

Zhaiarenko volunteered to go to Chechnya for his newspaper, the Itar-Tass news agency reported.

Spiked Champagne Kills 10

The Associated Press

DUSHANBE, Tajikistan — Ten people, including six Russian servicemen and a Russian diplomat's wife, died after drinking champagne made in this former Soviet republic.

Veteran Russian Journalist Killed in Grozny Fighting

The Associated Press

MOSCOW — A veteran Russian war correspondent, Vladimir Zhaiarenko, died after a bullet struck him in the head while covering the fighting in the breakaway Russian republic of Chechnya. He was 54.

Mr. Zhaiarenko, who worked for the military daily Krasnaya Zvezda, was killed Sunday while reporting on fighting in the Chechen capital of Grozny, the Defense Ministry said.

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CHINA: Beijing Beef's Up Military

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sites to terrorize any foe within 1,000 miles (1,600 kilometers).

One specialist on military affairs said of Chinese manpower needs that "by the year 2005, they would like to achieve a core force of 500,000 to 1 million across their services who are fairly modern."

Apart from the recent efforts, however, this goal seems illusory to other experts because China is still technologically unsophisticated in some areas.

Chinese warships, for example, have little or no effective air defense, and their targeting radars cannot reach over the horizon. China has no hope of financing aircraft-carrier development for at least a decade. Its submarines are noisy and vulnerable and are equipped with poorly functioning torpedoes.

The Chinese Air Force has yet to produce a modern, super-sonic aircraft with all-weather air-to-air combat abilities. And

"We are aware that our weaponry of all services is far behind the present equipment of the United States," Admiral Liu Huaiqing, China's senior military officer, told the McNa-

mara group. "We hope to modernize, but the problem is that we have no resources; and if we compete with economic needs, we will be in competition with the economy, and that is not in China's interest."

Still, Chinese and Western specialists say, Beijing's limited buildup is threatening to neighbors like Vietnam, which lost two vessels in a clash with China in 1988.

Office buildings and construction cranes have sprung up in every major city. Streets have been torn up for new telephone lines, new sewers and new power cables, and then torn up again for new cable television wires.

Now comes what some think could change the traditional Chinese urban life-style more than anything else yet: American-style suburban shopping malls, surrounded by vast parking lots with fast-food outlets and movie theaters. Leipzig has the biggest one in the country.

"We now have the greatest concentration of these shop-

ping centers in all of Germany," said Niels Gormsen, the supervisor of construction projects in Leipzig. "We see a danger that too many could kill off downtown commercial districts just like in America."

Mr. Gormsen and many other planners here would like to avoid the commercial strips and decay of the city center, as

they did in most medium-size West German cities over the last 40 years. He, like many other civil servants in Leipzig, came from Western Germany to replace the Communist functionaries who emulated Soviet urban development.

But since reunification, commercial development and social change have come so fast that the city authorities have not had the time for planning that was granted to them in Western Germany.

There, Germans built un-

Bonn Assails Russia For Overuse of Force

Reuters

BONN — Germany on Monday accused Russia of violating human rights in Chechnya by using an unwarranted amount of force to try to stop the region's drive for independence.

To Bonn's most forthright criticism of Moscow's military campaign to date, the Foreign Ministry's deputy spokesman, Martin Erdmann, said Moscow had disregarded a request by European Union ambassadors last week to show restraint in Chechnya.

The ambassadors "said this was an internal Russian conflict, but also stressed that the means used in the confrontation had to be kept in proportion," Mr. Erdmann said. "In our view, they were not kept in proportion."

Asked if this meant Russian troops had violated human rights, he said: "There is no doubt of this."

The high number of civilian casualties, some caused by bombing of residential areas, has triggered concern in the West about the way in which Moscow has gone about putting down the revolt.

In a radio interview, Foreign Minister Klaus Kinkel said he had suggested that Moscow ask the Conference on Security and Cooperation in Europe to help resolve the conflict.

Mr. Kinkel said he had raised the subject whether Russia should call its own voluntary summit of CSCE observers to Chechnya," Mr. Kinkel said. He did not say how Mr. Kozyrev reacted.

France also said Monday that it might try to work out a settlement through the CSCE.

"As president of the European Union, we are considering helping solve the crisis with the mechanisms of the CSCE," a Foreign Ministry spokesman told reporters in Paris. "Dialogue should be used to reach a settlement," he said, but did not give any detail of what initiative France could take.

Mr. Kinkel said he did not consider the Chechnya conflict a matter for the United Nations Security Council to take up.

"This is a case, although this is constantly criticized, of a domestic Russian conflict," he said. "Naturally, we cannot view without concern the military way in which Russia is addressing the conflict, which is a tragedy for both sides."

El Al Rejects Russian Security Rule

JERUSALEM (Reuters) — Israel's airline El Al canceled its flight to Moscow on Monday after Russian authorities barred its security agents from carrying weapons, an airline spokesman said.

"We decided to cancel the flight following changes in our standard security procedures, which were forced upon us by the Russians," said the spokesman for El Al.

Russian police on Dec. 30 harried the carrier's security agents from carrying weapons at Moscow's Sheremetyevo airport. "El Al will not operate flights to any destination in which our security procedures are compromised," the spokesman said. He said any decision on other flights would be made day-to-day based on the Russian policy. El Al flies three times a week to Moscow and once a week to St. Petersburg.

Ten thousand Israelis have visited Jordan and about 1,000 Jordanians have crossed into the Jewish state since the two countries opened their common border three months ago, an Israeli official said Monday.

Virgin Atlantic Airways is offering for three days a \$99 one-way fare to London on any of Virgin's three daily flights from New York. The airline said passengers may purchase tickets Tuesday through Thursday for flights on Tuesdays and Wednesdays through April 6.

(Bloomberg)

SHOPPERS: India on a Spree

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night is of such low voltage that it cannot power decent television reception.

But television, more than any other single factor, is driving the consumer boom in rural India. Across the country, the number of households owning television sets has doubled in the last five years to 40 million. More than 40 percent of rural residents have access to a set according to a recent survey.

"Once you start watching TV, your idea of what is a good living changes," said Mr. Swamy of India. "Then your perceived needs go up."

On the dusty main street of Dighal, where cows, water buffaloes and ox carts compete with trucks, tractors and bicycles for road space, Vijay Kumar, 21, dispenses name-brand toiletries produced in India by international companies.

But villages have more disposable income today than a decade ago. In Barhiana and Dighal, there is hardly a family that does not send at least one male member into New Delhi, two hours away, for a job.

THE AMERICAS / GREAT WELFARE DEBATE

Canada's Leader Rides High

First Year in Office Nets 75-Percent Approval

By Charles Trueheart

Washington Post Service

TORONTO — Jean Chrétien has finished his first full year as prime minister with more of the electorate supporting him than any other Canadian leader in the postwar era: 75 percent, according to a recent poll.

The puzzle to many is that Mr. Chrétien has so little to show for his public standing in the way of policy, legislation or risky decision-making.

"The political world hasn't seen numbers like these since those Romanian and Bulgarian elections in the good old days," said Norman Webster, former editor of the Montreal Gazette and now a columnist.

Michael Bliss, a historian, said: "He's in that happy state of being able to do no wrong. It's the complete reverse of the Bill Clinton syndrome."

The question today is whether that support can shield Mr. Chrétien from the costs of difficult decisions this year. The genial and modest Quebecer took office nearly a year after Mr. Clinton did, restoring the Liberal Party of Lester Pearson and Pierre Elliott Trudeau to power after nine years of Conservative rule that echoed Ronald Reagan's years south of the border.

Since then, the polls suggest that Canadians have bonded to their unassuming prime minister in ways that resemble the affinity most Americans felt a decade ago for the detached father-figure Mr. Reagan.

Mr. Webster, choosing another American model, referred to Mr. Chrétien's "Harry Truman impersonation."

But virtually every analyst offered a more immediate and less flattering explanation for Mr. Chrétien's success:

"It's the sign he wears that says 'I'm not Brian Mulroney,'" said Mr. Bliss. Mr. Mulroney, the Conservative prime minister until 18 months ago, was widely detested by Canadians, who nevertheless elected him twice in the 1980s.

"Chrétien can relate to ordinary Canadians in a way a Mulroney never could," Mr. Bliss said.

At 60, the prime minister has a profile of probity and has made good government his watchword. One seasoned observer in Ottawa described it as a "near perfect fit between the temper of the times and the temper of the man."

In contrast to Mr. Mulroney's limousine life-style and an odor of cronyism, Mr. Chrétien is associated with Chevrolets and used government furniture.

As further luck and circumstance would have it for Mr. Chrétien, Canada is enjoying a modest economic recovery, and there is no national political opposition to the government.

The 1993 elections that brought the Liberals to power also rewarded them with a dramatically fragmented political landscape. The Progressive Conservatives, for generations Canada's other major party, dropped under the weight of Mr. Mulroney's legacy from 154 seats in the House of Commons to 2. The quasi-socialist New Democrats, Canada's traditional third party, were trimmed from 43 seats to 9.

As those two parties struggle to stay alive, Mr. Chrétien's parliamentary opposition comprises two others that barely existed five years ago. Both command only regional support — the separatist Bloc Québécois, with most of the seats from Quebec, and the conservative Reform Party, whose members hail from the Canadian West.

Free from the pressures of a unified national opposition, Mr. Chrétien has offered crowd-pleasing but politically inexpensive decisions on a number of issues and indulged a traditional Liberal habit of gentle America-bashing.

His greatest triumph of 1994 was leading a trade mission to China. Instead of using the

RUMA
Jean Chrétien: He's not Brian Mulroney.

honeymoon of his first year to forge bold new fiscal austerities, as some had hoped, he has ordered lengthy public consultations and program reviews.

"This is no government with a burning mission to reform, but rather a low-profile operation trying to disguise the fact that Canada is wildly, desperately broke," Mr. Webster wrote in a recent *Gazette* column.

Adjusting for Canada's population, about one-tenth that of the United States, Mr. Chrétien is faced with national debt problems every bit as enormous and fiscal solutions every bit as punishing as those facing Mr. Clinton. The Liberals have pledged to cut Canada's annual operating deficit to about \$1.8 billion, or 3 percent of gross domestic product, by 1997; critics say this target is too modest even as they doubt Mr. Chrétien will have the political will to meet it.

Finance Minister Paul Martin will unveil a budget in Ottawa in February that another cabinet member reportedly called the most painful since World War II. It is almost certain to include the sting of tax increases. On top of that welter of economic problems, there is Quebec's newly energized threat to leave Canada. Mr. Chrétien has been a lifelong politician in the federal capital and an opponent of the secession of the province in which he was born.

Yet on this front considered so crucial to Canada, Mr. Chrétien seldom has wavered from the script that elected him: The less said about Quebec the better.

Even as the separatist Parti Québécois, which just took control of the provincial government last fall, builds momentum toward a mid-1995 referendum on separation, Mr. Chrétien has said little. This angers the Canadian right and many in the pro-munity pundit class in English Canada, who are urging him to take on the separatists.

Mr. Chrétien's standing in his home province makes him especially wary of making an injudicious remark. In some circles there, he is regarded as a turncoat, a sellout to the rest of Canada. His Canada-wide popularity ratings are all the more impressive in light of his depressed support, about 40 percent, from Quebec's French-speaking majority.

Away From Politics

• Three Americans were killed by bullets apparently fired randomly into the air by New Year's celebrants, the authorities said. The victims were in Phoenix, Arizona, New Orleans and Atlanta. (AP)

• An 18-year-old youth trying to help an injured man into his home on New Year's Eve was shot and killed by the man's frightened son, the police said in Purdy, Washington. Three friends round the man injured in his car. They offered to call for help, but the man asked to be taken to his trailer home nearby, Detective Terry Wilson said. Once there, the man realized he did not have his keys and told the men no one was home and to break a window to get inside. The man's 13-year-old son shot and killed one of the men, Christopher Blake West, as he started climbing in through the kitchen window. (AP)

• Notes and drawings found in the home of Edward J. Leary, the accused New York subway firebomber, show that he planned to detonate bombs with motion-sensing devices and remote controls and to gun people down with a high-powered rifle as part of a terror campaign in the subways, a law-enforcement official said. The two gasoline bomb explosions that have been attributed to Mr. Leary were both meant to explode aboard trains while they were in tunnels, said the official.

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• Senator Howell Heflin, Democrat of Alabama, was released from the hospital after having his pacemaker adjusted, his spokesman said. Mr. Heflin, 73, who was admitted to University Hospital in Birmingham on Friday, was to remain in the city for several days to undergo outpatient tests. The pacemaker procedure did not involve surgery. (AP)

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Rich World, Poor World

The world is getting steadily richer. The World Bank, chief source of the numbers that track this process, has just published its statistical atlas for 1995. Its president, Lewis T. Preston, observes that in the second half of the 20th century the average income per person in the developing countries has doubled.

This rising wealth does more than buy cars and television sets. It means that people live longer, are better educated and have better tools with which to work. The increased foreign competition that the United States feels has little to do with the new trade laws. People in dozens of poor countries are now capable of making the goods that used to be a monopoly shared only by producers in North America, Western Europe and Japan.

This new wealth is far from equally distributed. Income per person has hardly changed at all in sub-Saharan Africa from 1960 to the early 1990s. But in East Asia it has more than quadrupled, with most of the increase having come since 1978, when China launched the tremendous reforms that are changing the whole Pacific economy.

Since 1960 the gap has widened between the world's rich and most of the poor. The only large exceptions are in East Asia. The industrial democracies that were at the top of the income ladder

— THE WASHINGTON POST.

Debate Foreign Policy

In the new year, President Bill Clinton confronts a new foreign policy reality — a Republican Congress. Republicans are less united on international issues than on their domestic agenda. But critics of specific administration policies now lead both houses of Congress and chair key committees. They have ample constitutional power to obstruct the president's agenda and advance their own. The Senate has the authority to confirm nominees and ratify treaties, and both houses can vote down or condition appropriations for everything from foreign aid and intelligence to troop deployments.

Sharper foreign policy debate can be healthy. The administration has not performed so brilliantly that it can afford to brush off useful criticism. No great philosophical differences divide Mr. Clinton from mainstream Republicans on many issues, and both parties need to consider how to reshape U.S. policies to a changed world. What are America's interests today? What are appropriate uses of U.S. military force? What is the right relationship between trade expansion and other objectives?

As a candidate, Mr. Clinton promised dramatic reversals on a few high-profile issues like Bosnia, China and Haiti. That rhetoric was soon abandoned. Aside from Haiti, he has generally kept George Bush's policies in place while focusing on domestic reform. A broad consensus is likely to continue over trade, the Middle East and some elements of arms control. Congressional challenges are likely over Bosnia, NATO, Russia, China, peacekeeping and foreign aid.

Mainstream Republicans favor continued support for reform and arms reduction in Russia, but want to make aid conditional on how Moscow treats the former Soviet republics. Such conditioning must be done carefully. America's security does not lie in isolating and humiliating Russia, but in encouraging its constructive participation in European and Asian affairs.

Republicans will also insist that Washington stand up more forcefully to China, bullying on human rights, trade, Taiwan and Tibet. A tougher line could help over time, but short-term progress is unlikely, with China already in the throes of a succession struggle.

International peacekeeping has been a favorite Republican target, even though the administration is now cautious to a fault about committing U.S. troops to such operations. Recent United Nations operations have been troubled, but peacekeeping is a cost-efficient deal for the United States. If the United Nations were so financially hobbled that it could no longer mount operations in support of policies that Washington favors, American forces might have to act alone, at far greater human and financial cost to the United States.

This administration still has a chance to leave a credible foreign policy legacy, but for the next two years it will have to do so in conjunction with mainstream Republicans like Senator Richard Lugar and Representative Benjamin Gilman. There will be unbridgeable differences. There should be substantive debate. But with good will and good luck, the result could be the kind of bipartisan foreign policy that politicians often rhapsodize about but rarely produce.

— THE NEW YORK TIMES.

Other Comment

Unfashionably Optimistic

In the 1990s, having survived recession, we [British] retain most of the major economic gains achieved under Margaret Thatcher without the vulgar excesses. The shortcomings of the government are an embarrassment, but American experience shows how readily a nation can prosper without taking any notice of its government. We are at peace. Our food, our cars, our roads, our health, our opportunities for holidays and foreign travel — yes, even our railways — are incomparably better than they were a generation ago. Television and, more importantly, education are significantly worse, but at least the availability of video makes it unnecessary to watch live television at all. We are a privileged and pampered generation, a reality

— Miliiver (Istanbul).

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OPINION

Changing Laws of Gravity Pull 'Foreign Affairs' East

By Thomas L. Friedman

TOKYO — A "Foreign Affairs" column now returns to The New York Times. "Foreign Affairs" is actually the paper's oldest column. It was begun in 1937 by the remarkable Anne O'Hare McCormick and was originally called "In Europe." In those days, "In Europe" was foreign affairs for most Americans, and it seemed perfectly natural that the paper's one overseas columnist was rooted on the European Continent.

Mrs. McCormick's 1954 obituary in The Times said that she got her start in foreign reporting "as the wife of Mr. McCormick, a Dayton

History may place the most important development of this half-century in Asia.

engineer whom she accompanied on frequent buying trips to Europe."

Obviously, I was born in a very different era, one in which columnists only have to accompany their curiosity and engineers travel to Tokyo for buying trips, not Paris.

Both factors have led me to start my column from Japan. While I have no intention of calling my column "In Asia," the thought did cross my mind. Let's face it, when the history of the late 20th century is written, the most important event may not be the reconstruction of Europe, the Cold War or the collapse of communism, but rather the rapid modernization in one generation of 2 billion people from Japan to the border of India. Never have so many raised their standard of living so far so fast.

I was in Singapore recently when its government decided that to keep attracting top-quality cabinet ministers, it would pay them about two-thirds of the average salary of the country's senior doctors, bankers and CEOs. That comes to \$765,000 a year for the prime minister and \$400,000 for the others.

No wonder an American diplomat in Hong Kong told me: "I go to parties here and without fail I am the poorest person at every event. The BMWs and Rolls-Royces roll in one after the other, and then I show up with my little Japanese car. During my first tour here a decade ago, I felt like Gulliver among the Lilliputians. We represented the future. Now I feel like I am brought along to parties as a potted plant for adornment."

Yet, Walter Mondale, the U.S. ambassador to Japan, complains that many American business, edu-

cational and news organizations "still don't get it, still don't grasp how rich and dynamic this region is." He should know.

The historic residence of the American ambassador in Tokyo is being restored by a Japanese construction company because there were no American contractors here skilled enough to do the delicate job. A new study by the Mansfield Center found that there is still four times as much news about America on Japanese television as news of Japan on American television.

But if we Americans are still smug about Asians, always waiting for their bubble to burst, it is nothing compared with their smugness toward America. They think they can defy the laws of gravity — that economic consequences won't have political consequences. You cannot have a conversation in Asia without being verbally caned over how flawed America has become and how superior is the "Asian Way." Their smugness, though, is as misplaced as ours.

How long can Asian governments keep their people so regimented and focused on export growth when their middle classes are growing so wealthy? Take Singapore. Thanks to its stern government, it is clean, rich and seriously boring. Singapore is a shopping mall with passport controls. Any wonder American televangelists and Oprah Winfrey are increasingly popular out there?

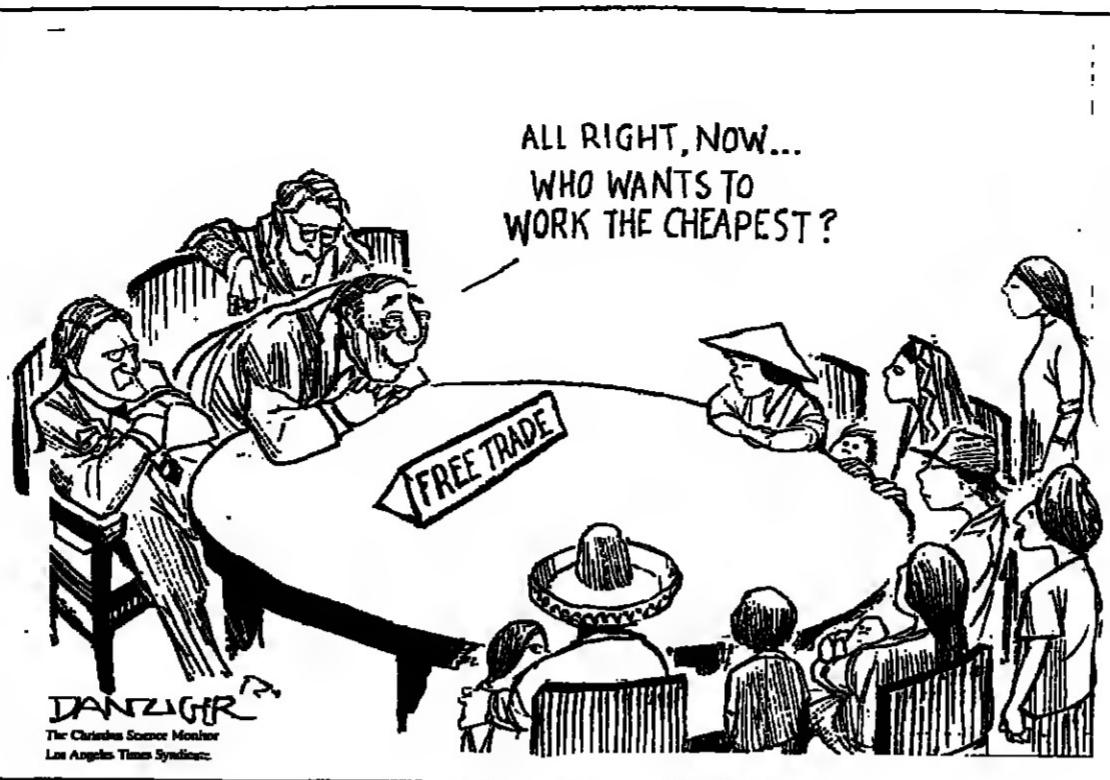
How long can Japan's government keep telling its youth that they have to accept lower wages and live in apartments as big as my garage so that Japanese companies can put all their profits into expanding markets abroad? How long will Japanese consumers pay \$70 for a watermelon because Japan protects its highly inefficient food industry from foreign competition?

How long is China's leadership, the smuggest of all since it forced President Bill Clinton to eat crow on human rights, going to be able to keep the lid on a country that is economically becoming North Carolina and politically still North Korea?

And how long will Asians tolerate the fact that the economic boom has left them with five of the seven most polluted cities in the world?

The answer to all of the above is: not much longer, and that's why I chose to start here. Asia is not only going to be the world's biggest business story in the coming years. The economic revolution here is well under way, but the political revolution has just begun.

The New York Times.



LETTERS TO THE EDITOR

The Tide Lifts All Ships

Regarding "Selective Protection Can Be Justified" (Opinion, Dec. 26) by Gregory Clark:

With the advent of the World Trade Organization, protectionists like Gregory Clark still miss the point of free trade.

The free trade argument, that "everyone gains" is not limited to the West. What Mr. Clark wants to preserve is exactly what free traders seek to address: the distribution of world gross domestic product. In 1989, 83 percent of total world GDP was distributed among 20 percent of the population. The poorest 20 percent had 1.4 percent of GDP to divide among themselves. The average Swedish family (I am Swedish) has two children, and our consumption is equal to that of a 20-child family globally.

In the long run, free global trade gives the developing countries a fair chance to achieve true development on their own terms. If these countries are more aggressive and dynamic than the more developed countries, so be it. The West does not need a breathing space; it needs a wake-up call. Instead of preserving global inequalities, perhaps we should follow New Zealand's example and simply lower our standard of living. It is painful to do so, but it is also painful for much of the world population to live in extreme poverty.

I would estimate that about 90 percent of the Jews I write about are

enough for everyone's need, but not for everyone's greed."

By establishing the World Trade Organization and giving it full support, the West will not bring equality to the world, but it definitely takes a step in the right direction.

FREDRIK SUNESSON

Vienna

assimilated, which is probably just about the real ratio. Ms. Dupont writes that Jews "have always been a significant part of the French scene," but the point is that this is true of Europe in general, perhaps most notably Germany. So the idea of assimilation assuaging anti-Semitism is obviously a failure.

Unlike a few of the people I write about, I do not see this as a valid criticism of assimilation. Jews, like everyone else, have a right to be whatever they want to be.

As for Mr. Mendes-France, I have always admired him not because he was a Jew who suffered under Vichy

but because he so courageously undertook decolonization. Jews do achieve things besides suffering.

MARK KURLANSKY

New York

A Bully Job on the Bulge

Regarding the report "We Can Still Lose War" (Dec. 19):

Congratulations to Rick Atkinson for his masterful retrospective on the Battle of the Bulge. The participants in that battle (or most any battle, for that matter) were the last to know what had gone on because of the well-known "fog of war." As historian for the 100th Infantry Division Association, may I say that Mr. Atkinson's careful analysis benefits not only the general reader but the veterans who fought there.

FRANKLIN L. GURLEY

Romans, Switzerland

America. You have the power to save our children.

"There is a 75 percent recidivism rate in Cook County. If you can cut that back to 50 percent, you would change the criminal justice system. Cut it back to 30 percent, and you would just about put the prison system out of business. And you can do it if you change from the victim complex of self-pity and accept a new identity. The key to change is in your mind, in your heart. Malcolm turned a jail cell into a classroom. Racism didn't change for him; the job situation didn't change for him; the police didn't change. Nothing changed but him."

The message is important — not because anyone can expect one Christmas Day speech to change very many lives but because young people need to be taught and reminded of the power they have over their own lives.

And so do those in authority. One of the remarkable phenomena of our time is the persistence of the belief among those in power that we can coerce people into decent behavior if only we make the punishment tough enough. The most obvious result of that policy is not a safer society but the diversion of more and more tax dollars to prison cells.

We keep imagining that the problem is that young people are not frightened enough, so we keep toughening criminal sanctions to the point where America's national incarceration rate is the highest in the Western world. The real problem, as Mr. Jackson reminded on what was at least his 26th Christmas visit to Cook County Jail, is that the young people aren't hopeful enough.

They don't see that they need not be limited and defined by discrimination and hard economics any more than were the heroes of the '60s. They don't see that they can, even after a disastrous beginning, make something of themselves.

They don't see that they have it within their means to transform not merely their own lives but society.

They have the power — and that's the truth.

Washington Post Writers Group.

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Iran, Fighting Decay, To Ban Satellite Dishes

Compiled by Our Staff From Dispatches

NICOSIA — The Iranian Parliament has given final approval to a ban on satellite television dishes, a proposal by hard-line clerics who want to curb increasingly popular Western shows they view as promoting moral decay.

The bill, approved Sunday, prohibits the unauthorized sale, manufacture and distribution of satellite dishes. It now goes for review to the Council of Guardians, where approval is expected within 15 days.

It empowers the Ministry of Islamic Guidance and Culture "to safeguard cultural boundaries of the country and of its families against destructive and indecent satellite programs."

Rooftop dishes have proliferated in Iranian cities, pulling down channels offering soap operas, pop-music videos and foreign newscasts, not to mention nudity in a country where women must be veiled from head to toe in public.

There are an estimated 250,000 satellite-dish users in Tehran alone.

political battleground — may be the next ones on the line.

However events unfold at Efrat, home to about 6,000 Israelis, many of them transplanted Americans, the political hats that settle play at this stage of the troubled peace negotiations.

On paper, discussions about the future of 130,000 Jewish settlers are to be set aside for a while, though no later than May 1996, along with other delicate matters like Jerusalem's ultimate status. But the reality has been that settlements are an inescapable issue, even now.

The ban also was a landmark because the home was generally considered off-limits to the authorities' strict enforcement of centuries-old Islamic codes of behavior.

Once it becomes law, owners will have 30 days to dispose of their dishes.

President Hashemi Rafsanjani had allowed bland Western films and music on the state television and radio network, arguing that they were needed to spice up programming rich on scholarly instruction and religious recitation.

But Mr. Rafsanjani's failure to turn around an oil-dependent economy has eroded his popularity.

(AP, Reuters)

ISRAEL: Expansion Halted

Continued from Page 1

Many young people do not remember the 1979 Islamic revolution that brought the fundamentalist regime to power. They grew up during hard times and an eight-year war against Iraq.

The ban reflects the ascendancy of mullahs who are campaigning to rejuvenate religious zeal in the Islamic republic of 60 million people.

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(AP, Reuters)

Because of this basic security concern, negotiations have been along inconclusively, with a new round scheduled for Tuesday in Cairo.

And as time passes with no real change on the ground, West Bank Palestinians have grown increasingly restive. The Efrat expansion toward Al-Khuader, an Arab town of 4,000 people five kilometers to the north, became a focus for their frustration and a target of political protest that has been joined by leftist Israeli groups like Peace Now.

Carlos' Charged In 1983 Bombing

Agence France-Presse

PARIS — The international terrorist "Carlos the Jackal" was charged Monday in connection with the 1983 bombing at a Marseille railroad station that killed two people and injured 34, judicial sources reported here.

Carlos, whose real name is Illich Ramirez Sanchez, has been in custody in Paris since being extradited from Sudan last August.

He was charged with murder, attempted murder, damage to property and explosives offenses.

The charges are the latest to be formally served on the Venezuelan-born terrorist.

Carlos is already under indictment in connection with a Paris bomb attack in March 1982 that killed one person and injured 63, and with the bombing of a Paris-Toulouse train in the same month, which killed five.

3 Police Deaths Reported

Israeli troops shot and killed three Palestinian policemen in a clash in the Gaza Strip on Monday, a Palestinian policeman told Reuters. In two other incidents on Monday, soldiers also killed three armed Palestinians in the occupied West Bank.

The policeman said that Israeli soldiers, patrolling near Beit Hanoun in the Gaza Strip, had fired on Palestinian police, apparently mistaking them for militants. Israel radio said the soldiers had opened fire after shots were fired at them.

Militants Posing as Police Kill 11 in Egypt

Reuters

ASYUT, Egypt — Suspected Muslim militants disguised as police shot and killed eight policemen and wounded at least two others in four separate attacks in Egypt on Monday, security sources said.

Three civilians also were killed, and four others were injured in the attacks, which took place within one hour of each other near the Nile Valley town of Mallawi, 260 kilometers (160 miles) south of Cairo, the sources said.

The death toll on Monday was one of the highest in a single day since political violence began in Egypt early in 1992. Muslim militants are waging a violent campaign to overthrow the government of President Hosni Mubarak and set up a strict Islamic state.

In all of the attacks on Monday, gunmen stopped buses on the main road out of Mallawi to search for police officers on their way to work.

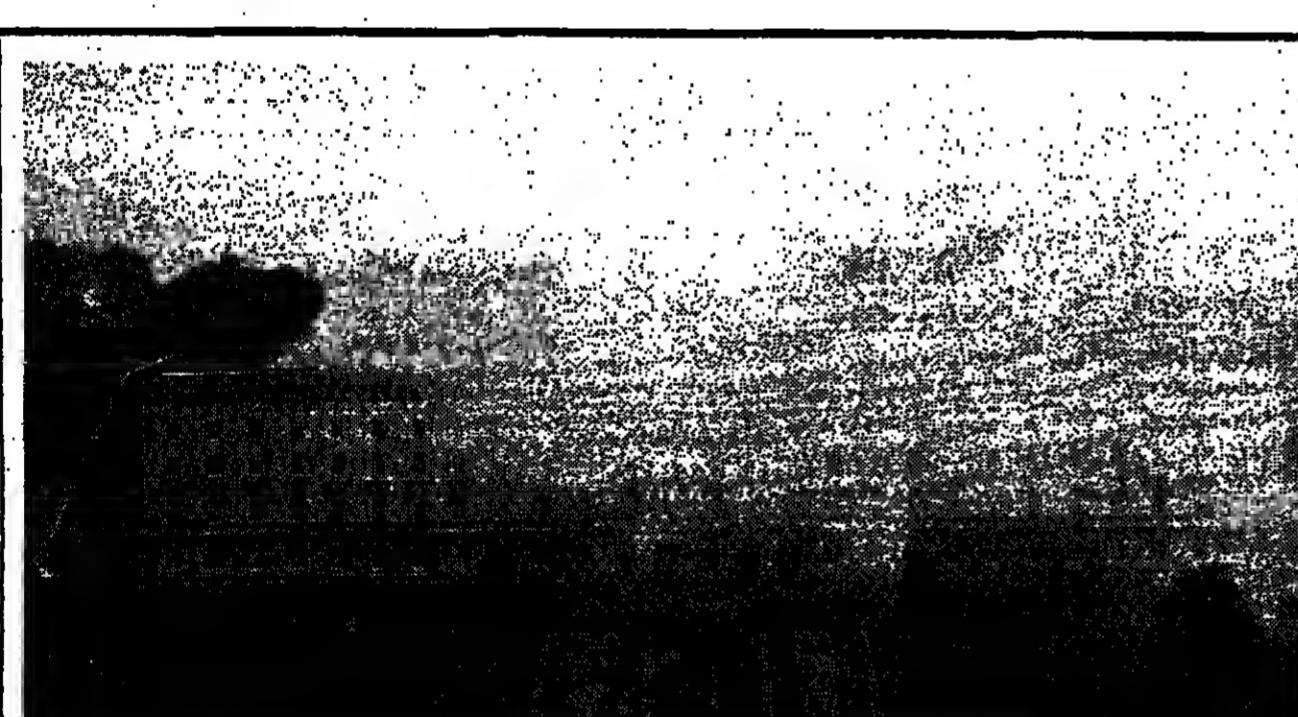
In one attack, gunmen ordered passengers off a public bus and shot and killed five policemen by the roadside. Two civilians, a newspaper vendor and a security guard, were killed by stray bullets, the security sources said.

In separate attacks, gunmen boarded three minibuses and killed three policemen after examining the identity papers of passengers, the sources said. A teacher on board, one of the buses was also killed and four other civilians were wounded.

The officers who were slain included conscripts, guards and members of the secret police. The gunmen took their weapons and escaped.

The attacks bring to nine the number of policemen killed by militants in the first two days of 1995 and to 670 those killed in political violence since 1992.

Security officials in Mallawi suspect that the gunmen are members of Egypt's largest militant organization, the Islamic Group, which has been targeting police in southern Egypt for two years.



Site of Ulster Peace Talks Burns

Smoke pouring Monday from Stormont, Northern Ireland's old Parliament. Fire destroyed the debating chamber, which was undergoing renovation. Stormont long was a symbol of Protestant domination and now is the setting for peace talks on ending the province's 25-year guerrilla conflict. Up to 120 fire fighters fought the blaze. "There is nothing to suggest that it is malicious," a fire brigade spokesman said. No one was hurt. Last month, British officials opened talks at Stormont, with separate delegations of representatives from Republican and Protestant extremists. The exploratory talks resume Jan. 12.

Credit: AP/Wide World/Reuters

AFRICA: Dictators Flourish as the West Sends Aid Without Demanding Political Reform

Confirmed from Page 1

May following the country's first national election in which the black majority was allowed to participate. Elections in May ousted Africa's longest-serving dictator, Hastings Kamuzu Banda, while holding last October in Mozambique completed a UN-brokered peace process to end a 16-year civil war.

But ethnic slaughter in Rwanda, renewed anarchy in Somalia and seemingly intractable civil war in Sudan, Liberia and Angola have raised the possibility that Africa's future will bring the descent of other nations into perpetual conflict, with the outside world unable to prevent it.

Even some of those considered bright rising stars in the continent's political firmament have disappointed reform advocates. President Yoweri Museveni of Uganda had emerged as the darling of the World Bank and Western embassies for ushering in a prolonged period of political stability following the

dictatorships of Idi Amin and Milton Obote, but Mr. Museveni has shown he is no democrat. He brooks no talk of pluralism in Uganda that he essentially runs in autocratic fashion.

In Zambia, Frederick Chi-

has been plagued by the resignation of many of its reform advocates, who say the president has lost his direction.

</div

Style

Reality in Clothing: Ode to Claire McCordell

By Bernadine Morris
New York Times Service

NEW YORK — Fashion presentations today tend to be produced on a giant scale. Even the introduction of a designer collection for the next season has moved from the intimacy of a manufacturer's showroom to a tent or an amphitheater seating thousands.

The cut or the fabric of an outfit is hardly the selling point, since the details cannot be seen beyond the first few rows. The music, the choreography and the lighting supersede the clothes. The mood is that of a Broadway musical.

Those who assemble fashion exhibitions feel similarly compelled to put on the *glitz*. It is therefore somewhat astonishing to come upon a small, modest, straightforward presentation of clothes by Claire McCordell, the finest U.S. designer, at the Parsons School of Design's exhibition center in the Greenwich Village section of New York City.

The clothes have not been gussied up. They emit an air of reality, as if real people can wear them as they go about their daily lives. What is most astonishing is the fact that most of the styles are more than 40 years old. McCordell died in 1958 at the age of 53.

Called "Claire McCordell: Redefining

Modernism," the show has been assembled by the Parsons faculty as one of the events celebrating the school's 100th anniversary and the 75th anniversary of the New School for Social Research, with which Parsons has been affiliated since 1970. McCordell graduated from Parsons in 1928.

McCordell, a major force in design starting in 1940, helped propel the American concept of easy, simple dressing onto the world fashion stage. She used down-home fabrics like denim and calico and decorated them with top stitching as in blue jeans, bows that actually functioned as fastenings and hardware clasps taken from work clothes.

She never used a zipper down the back because, she said, a woman living alone would need to be a contortionist to close it. She always put pockets in her clothes, as much to provide a place to put the bands to offer a place to store things.

When Issey Miyake, the world's foremost futurist designer, came to New York this December, he went to see the McCordells before the exhibition was mounted; he has long admired her work, he said, and was taken with the softness and fluidity of her designs.

Nicholas Knightly, one of London's newest and youngest swinging designers, says the two designers of the past whom he most admires are Madeleine Vionnet,

the Paris couturier, and McCordell. A vignette of clothes from contemporary American designers is included in the Parsons exhibition, and it shows that the McCordell message is still being heard. The designers shown are Donna Karan, Isaac Mizrahi, Anna Sui, Adri, Michael Kors and Jeffrey Banks, an adventurous group as could be assembled.

The curator, Kohle Yohannan, 26, explains the title "Redefining Modernism" by saying that the clothes "speak to popular culture 50 years later."

Well, that is acceptable. But the McCordell secret is simply good design. And her basic tenet, that clothes should be comfortable, is one that designers disregard at their peril.

FOR fashion has its forward and backward thrusts, but the overall direction of modern clothes is toward practicality. McCordell's great accomplishment is that she made comfort and wearability look stylish.

Her first big success, the monk dress in 1938, was a loose, free flow of wool jersey that she anchored at the waist with a stiff wide belt or a series of spaghetti-like jersey tubes. Developing into the tent dress, it became a staple of contemporary fashion, belted or not.

Equally popular was her shirt dress with a pleated bodice and a small tie at

the neck. So was her "popover," a wrapped dress introduced in 1942 to wear around the house or to the grocery store. First shown in denim to sell for \$6.95, it was repeated in more luxurious fabrics at prices up to \$26.

McCordell's work recalls the time when American fashion was good and cheap. American manufacturers were prepared to make inexpensive clothes long before European houses got on the ready-to-wear track.

During World War II, when French sources were unavailable, Americans began developing their own style. Designers like Clare Potter, Tom Brigance, Vera Maxwell and Donald Brooks helped develop the sportswear style. McCordell was clearly the leader of a significant school.

Christian Dior's Edwardian New Look in 1947 and André Courrèges's space-age styles of 1962 deflected attention from the naturalism of the American look. Still, the American designers best known abroad today, people like Karan, Calvin Klein and Ralph Lauren, are part of the sportswear tradition.

The Parsons exhibition serves a useful function in showing where it all began. Neither the clothes nor the presentation is elaborate. Drawings by Bill Rancicelli, who teaches design illustration at Parsons, serve as backdrops.



Bill Cunningham/The New York Times
Claire McCordell dresses, on view in New York.

Interiors for Changing Fashions

By Fiona Brandon

PARIS — The fashion houses Kenzo, Esprit, Joseph, and Joan & David have one thing in common: the Czech-born architect Eva Jiricna. Over the past 15 years, Jiricna has used her designing talents to revolutionize the interiors of their shops.

"When you are designing for something that changes as quickly as fashion, you can't change the environment as quickly as the collections," Jiricna said. "Among other things, you need something timeless."

She combines glass and steel in a poetic yet disciplined style to create timeless interiors.

"Materials are like people," said Jiricna. "They have an image and a character. For me glass and steel are like best friends."

Working out of a 19th-century house in the West End of London, Jiricna has become renowned throughout Europe and the United States as a designer of high-tech shops with sensational staircases.

The recently opened Joan & David shop on Bond Street in London is no exception. Customers are easily lured through the glass doors without frames to climb the translucent glass staircase that rests miraculously upon a spiral ball.

"There have been many great architectural staircases in history, but in the present century it became more common to shut the staircase away, literally, in a cupboard, and cover it with a carpet," said Jiricna. "It resulted in the under-exploitation of the most unique three-dimensional object in any interior of more than one floor."

A renovated Joan & David shop on Rue Saint-Honoré in Paris has opened, with Jiricna's glass staircase suspended by stainless steel cables. It is rivaled only by Jiricna's innovative curving steel-and-aluminum double stair built in 1987 for the Legends nightclub in London and the stainless steel-and-glass triple stair finished in 1989 for the designer Joseph's store at 26 Sloane Street in London.

Jiricna began her career designing for a factory after graduating from the Technical University of Prague in 1962. At the time she was heavily influenced by

Czech functionalism, an architectural school based on the conviction that man-made structures should be useful instruments instead of fine-art monuments.

Jiricna brought this minimalist style to London in 1968, where she had secured a temporary job with the Greater London Council's architecture department. A month after her arrival, Soviet troops marched through Prague and the government of Alexander Dubcek was overthrown.

The political upheaval transformed Jiricna's six-month visit into 22 years in exile. Her decision to stay in England resulted in her being sentenced in absentia to three years in prison by a Prague court. Unable to return to her native land Jiricna continued to work in London for various architectural firms. In 1976 she became a British citizen, and this fall was honored by Queen Elizabeth with the medal of Commander of the British Empire for her contribution to interiors.

During the swinging '60s she became acquainted with the Moroccan-born couturier Joseph. After designing Joseph's smart South Molton Street store in London, her career as a high-tech designer took off. An article on the store was published in *Design* magazine and the work brought her critical acclaim.

In 1986 Jiricna opened Eva Jiricna Architects, whose projects to date include 16 shops for Joan & David, two for Esprit, three for Birger Christensen stores and a boutique for Kenzo. She has also designed a London apartment for the rock group the Thompson Twins, exhibition stands for Levi Strauss & Co. and hairdressing salons for Vidal Sassoon.

Jiricna is not shy about giving her opinions on modern architecture.

"Never tell anyone how to move forward," she says. "You can criticize someone's work all you want, but you can't take away their freedom to build in any way possible or you damage free thinking."

When asked about her feelings on Prince Charles' assertion that there ought to be a return to more classical architecture, Jiricna replied, "In my opinion students should be taught history and only history."

"But the future should be open to the imagination. Nobody should try to legislate for that. In my own lifetime I have seen the futility of trying to do so."

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Fiona Brandon is a Paris-based writer.

BOOKS

CHARLOTTE BRONTE: A Passionate Life

By Lyndall Gordon. 418 pages. \$27.50. W.W. Norton.

Reviewed by Michiko Kakutani

THOUGH I knew I looked a poor creature," Charlotte Brontë once observed, "and in many respects actually was so, nature had given me a voice that could make itself heard, if lifted in excitement or deepened by emotion."

In the century and a half since her death, readers have marveled at the disparity be-

WHAT THEY'RE READING

• Armistead Maupin, the writer, is reading: "More, Please" by Barry Humphries.



"I was recently with Barry and Dame Edna in Amsterdam. This book is Barry's autobiography. The man's a genius, it kills me that he can write so well. It's hard to write about yourself and be completely modest. Even if it's the brutal truth you're still striking a pose."

(Margaret Kemp, *IHT*)

tween Charlotte Brontë's timid, mouse-like demeanor and her passionate, caustic prose; between her restrictive upbringing

and her expansive imagination. These contradictions in her life are not only fully chronicled by Lyndall Gordon's splendid new biography, but also gracefully explicated to give the reader a vivid and emotionally detailed portrait of the novelist and her work.

By now, of course, the outlines of Charlotte Brontë's life are well known: the provincial childhood in Yorkshire; the brutalizing experience of a Dickensian school; the secret writing sessions with her sisters, Emily and Anne; the sudden achievement with "Jane Eyre" (1847); and the late marriage to her father's curate.

Although Mrs. Gaskell's famous 1857 biography filtered these basic facts of her friend's life through a strainer of Victorian propriety, later books have given the modern reader a

more fully rounded picture.

Whereas Emily led a willfully hermetic life completely impervious to others, Charlotte increasingly tried to negotiate with the world at large. It was

considerably fuller picture. Winifred Gerin's groundbreaking 1967 biography ("Charlotte Brontë: The Evolution of Genius") detailed Charlotte's formative (and ultimately abortive) romance with her teacher Constantin Heger, while Rebecca Fraser's 1989 biography ("The Brontës: Charlotte Brontë and Her Family") created a vivid picture of her close-knit family.

Gordon does not aspire to add

to the factual record; rather, she chooses to use her imaginative sympathies — honed to precision with earlier biographies of Virginia Woolf and T.S. Eliot — to delineate her subject's rich interior life. She re-examines the autobiographical sources of Charlotte's novels.

Throughout her life, Gordon suggests, Charlotte vacillated between allegiance to the Bible and allegiance to nature; between the sense of duty and self-restraint instilled by her father and aunt, and an anarchic sense of passion embodied by her dissolute brother Branwell.

Between the repressions of her schooling and the untrammeled freedom of the moors she wandered as a child.

While Charlotte gave free

rein to the passionate side of her nature in her novels (and in her letters to the men she loved), the face she presented to the world was that of a polite, prudish spinster.

Charlotte who got their books to a publisher, Charlotte who began making trips to London.

Although much of the literary world there would patronize

Charlotte as a lonely, pitiful

spinster, she quickly found a sympathetic and supportive friend in her urbane young publisher, George Smith. Their relationship would follow the same pattern as Charlotte's earlier one with Heger.

In both cases, a passionate correspondence ensued — a correspondence that eventually devolved, for Charlotte, into forearm war for the post. And in both cases, Charlotte would sublimate her disappointment in the failed affair through the practice of her art. Indeed, both Heger and Smith would surface as highly recognizable characters in her 1857 novel, "Villette."

Smith's decision to marry a younger woman in 1854 had another consequence as well: A month after his wedding, Charlotte became engaged to her father's curate, Arthur Bell Nicholls, who had pursued her in vain for years. After the wedding, Charlotte told a friend, she found she had little free time; she put aside work on her last novel, "Emma," and never took it up again.

Although the marriage lasted

only nine months before Charlotte became ill (apparently with a digestive-tract illness) and died at 38, the union appears to have been a fulfilling one.

Happiness, Gordon adds,

was the achievement of Charlotte Brontë's last year:

"Through a cautiously deliber-

ated choice in the early months of 1854, she transformed her life, choosing life over art."

Michiko Kakutani is on the staff of The New York Times.

BY ROBERT BYRNE

JOEL BENJAMIN upheld the honor of the humans by winning from WChess, a computer, in the Fifth Harvard Cup International Championship Playoff.

It is not obvious why computers tend to accept the Queen's Gambit with 2...dc, as WChess played here, in Game 5, and also in Game 1. Benjamin responded with 3 e3. Again we can only guess why. After 3...e5 4 Bc4 ed 5 ed, White has isolated a d4 pawn in a fluid situation.

WChess may be chosen

inexplicably; if the computer wants the bishop there, it could have played 4...Bb4, thus conserving a tempo.

On 18...Re8 19 a3 Nc6 20

Bf6! gl, Benjamin struck a powerful blow with 21 d5!, assaulting the fragile black pawn formation. WChess could not play

21...Nc5 because 22 Nd4! ed 23

Nd5 Kg7 24 Qb7 Nd3

(24...Bc5? is rebuffed by 25

Kb6! Re8 Qd6 Ne3 puts

White a pawn ahead with the stronger pawn structure.

Moreover, 21...Nc5 22 Qa2!

b6 23 b4 Nb7 24 de would win a pawn with a strong initiative for

White.

Dressing Down For the Future

By Jeannine Stein
Los Angeles Times Service

competition increases and technology improves.)

"If you're able to fax in 80 percent of your work, then you don't have to dress every day for the office," says Richard Martin, curator of the Costume Institute at New York's Metropolitan Museum of Art. "It's a question of formality vs. informality."

Alison Holt-Brummelkamp, a public relations executive, works from home four days a week to spend more time with her two school-aged children. Not having to dress in skirts and high heels has saved her considerable cash and changed her shopping strategy, she says.

"I'm looking for a lot of comfortable, casual clothing," she says. "I hardly ever wear stockings anymore."

WITNESS the proliferation of such stores as the Gap and its recent offshoot, Old Navy, selling relatively inexpensive basics — jeans, khakis, shorts and T-shirts. Only a couple of notches above a robe and slippers, they do just fine for the occasional schlep to the grocery store or coffee shop.

So much for the Flash Gordon vision of ray guns and spaceships perpetuated by the forward-thinking of the '50s.

"Ultimately what's going to happen is that the smartest look in the year 2000 is going to be a pair of khakis and a white

WHAT FOUR LETTER
WORD COMES TO MIND

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OF DIGITAL?

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money as 32-bit systems, you get a system with a future that can be measured not in years, but in decades.

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INTERNATIONAL BUSINESS

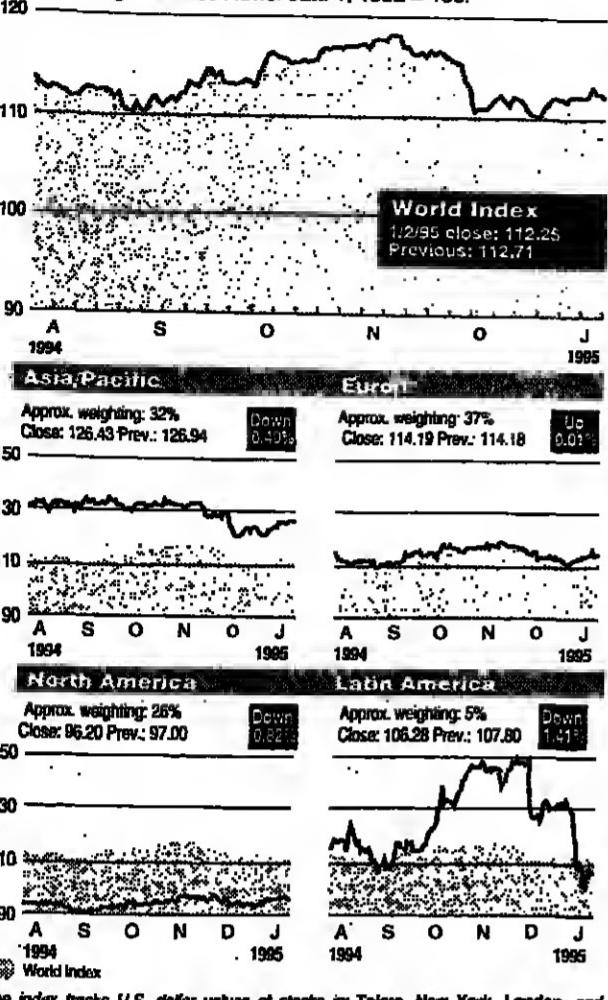
International Herald Tribune, Tuesday, January 3, 1995

Page 9



THE TRIB INDEX: 112.25

International Herald Tribune World Stock Index, composed of 280 internationally investable stocks from 25 countries, compiled by Bloomberg Business News. Jan. 1, 1992 = 100.



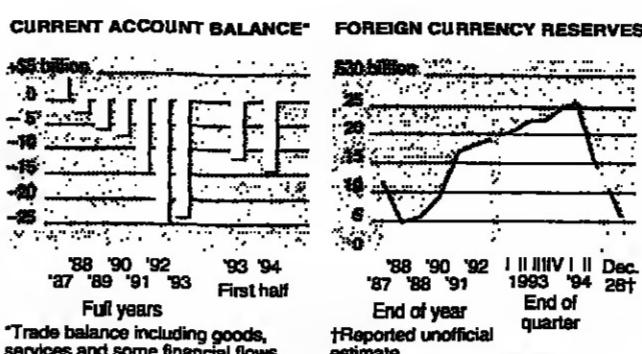
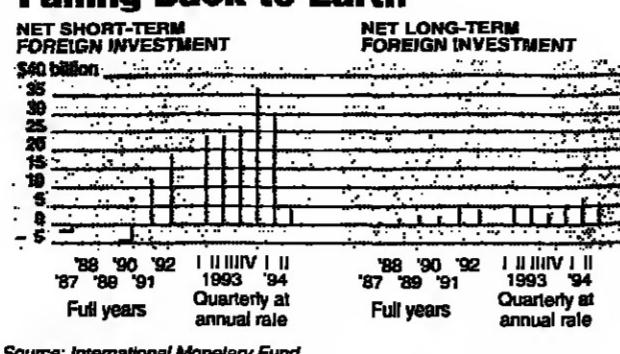
The index tracks U.S. dollar values of stocks in Tokyo, New York, London, and Argentina, Australia, France, Italy, Mexico, Netherlands, New Zealand, Norway, Singapore, Spain, Sweden, Switzerland and Venezuela. For Tokyo, New York and London, the index is composed of the top 20 issues in terms of market capitalization; otherwise the ten top stocks are tracked.

Industrial Sectors	Index	Prev.	% change	Index	Prev.	% change	
Energy	112.07	112.42	-0.31	Capital Goods	113.59	114.56	-0.86
Utilities	121.80	121.88	-0.07	Raw Materials	132.67	132.32	+0.26
Finance	113.59	113.95	-0.32	Consumer Goods	103.72	104.17	-0.43
Services	109.85	110.22	-0.70	Miscellaneous	117.42	117.57	-0.13

For more information about the Index, a booklet is available free of charge.
Write to Trib Index, 181 Avenue Charles de Gaulle, 92221 Neuilly Cedex, France.

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Falling Back to Earth



Mexico Missed the World's New Turn

U.S. Rate Rises and Global Recovery Foiled Its Strategy

By Keith Bradsher

New York Times Service

WASHINGTON — Mexico has this in common with Orange County, California, and some other big losers from 1994: It failed to respond quickly when the economic world around it began to change or to realize how risky its economic strategy was until it was too late.

Mexico's risks were built into a strategy of luring investors with high interest rates and a narrow currency-trading range, several international economists have con-

cluded. That strategy paid off handsomely from 1991 to 1993 as foreign investors who found a limited number of attractive places to put their money in a global recession poured money into Mexican bonds and notes paying 15 percent interest and bought millions of shares in the rapidly rising Mexican stock market.

Mexicans spent the money buying far more imported goods than the country could pay for with proceeds from its exports — running trade deficits three times as large as the biggest American deficits of the 1980s, if the sizes of the two economies are taken into account.

The strategy flew in the face of advice from officials of the International Monetary Fund. The result, as President Ernesto Zedillo Ponce de Leon acknowledged in a speech last week, has been disastrous.

Mr. Zedillo, in a nationally televised speech scheduled for Monday night on his plan for rebuilding the crippled Mexican economy, was expected to try to persuade investors that the market they once regarded so highly was not a mirage.

Mr. Zedillo worked through the New Year's weekend to put the finishing touches on a plan to limit wages, prices and spending while lining up financial backing from

the United States and Canada, major European nations, American commercial banks and the International Monetary Fund.

Investment bankers, money managers and analysts were eager to see how Mr. Zedillo — who has been in office just a month — intended to sketch an economic recovery while keeping the lid on simmering social problems bound to be aggravated by the disastrous devaluation of the peso last month.

The changes in the economic world that proved so devastating to Mexico's strategy came from a multitude of sources at home

and abroad. For one, the U.S. Federal Reserve Board's decision in February to begin driving up interest rates made it more attractive for many to invest in the United States, rather than Mexico.

In addition, many other economies began to emerge from recession and compete for international investment in 1994, and political violence in Mexico made loans and stock purchases there seem risky.

When the money stopped flowing in, the Mexican government spent close to \$20 billion in six months to defend the peso's value. When reserves ran low, officials were forced to abandon the centerpiece of their economic policy: a guarantee that no matter what happened, the pesos would

hold its value in dollars. The peso has since lost roughly 30 percent of its value.

As the problem began shaping up, Mexico followed much but not all of the advice dispensed by the International Monetary Fund, the World Bank and other economic organizations: It sold state-owned enterprises, it balanced its budget, and it eliminated trade barriers, notably through the North American Free Trade Agreement, which took effect a year ago.

But the government at the time chose not to risk social turmoil by devaluing the peso, which would have made popular imports goods more expensive.

Consumer prices in Mexico rose 27.9 percent from the end of 1991 through the middle of 1994, yet the dollar value of the peso fell only 9.4 percent in that time. For would-be foreign buyers with dollars to spend, the slightly cheaper currency was not nearly enough to offset the higher prices.

Evidence that the peso needed to fall further was visible in cities along the U.S.-Mexican border the last few months, where large numbers of Mexican shoppers were coming across the border to buy because prices were often better in the United States than at home.

The result was a trade deficit reaching 8 percent of Mexico's economic output. In 1994, the rule of thumb used by the IMF and many other international economic organizations is that a developing country's trade deficit should not exceed its economic growth rate. Mexico's annual growth has been about 1 to 3 percent the last couple of years.

The United States, of course, has run big trade deficits for years and has relied

on MEXICO, Page 10

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Saudi Budget Tries to Cope With Oil's Fall

Compiled by Our Staff From Dispatches

Riyadh — Saudi Arabia's 1995 budget, with its calls for spending cuts and increased revenue, is an attempt to restore fiscal order after years of free spending fueled by billions of dollars from oil exports, economists said Monday.

The budget, announced and approved Sunday, projects expenditures of 150 billion ryals (\$40 billion), down 6.25 percent, or 10 billion ryals, from 1994.

Revenue is forecast to rise by 15 billion ryals, to 135 billion ryals. That would leave a budget shortfall of 15 billion ryals, compared with an estimated 20 billion ryals last year and 40 billion ryals in 1993.

Nonoil exports were expected to show an increase of 13 percent in 1994, in line with government efforts to reduce the kingdom's reliance on oil.

Saudi Arabia predicts it will show a trade surplus of 66.2 billion ryals for 1994 and a 6 percent rise in gross domestic product.

Nonoil exports were expected to show an increase of 13 percent in 1994, in line with government efforts to reduce the kingdom's reliance on oil.

Saudi Arabia is the world's largest producer and exporter of crude oil, with a daily production quota of 8 million barrels within the Organization of Petroleum Exporting Countries.

The country ran into budget problems earlier in the 1990s as a result of low oil prices and payments or obligations totaling \$55 billion to the U.S.-led alliance that defeated Iraq in the 1991 Persian Gulf war over the occupation of Kuwait.

The average price of a barrel of OPEC crude oil has fallen from \$18.44 in 1992 to \$16.33 in 1993 and \$15.51 in 1994.

Bankers in Saudi Arabia said oil revenue had fallen more than 7 percent in the first nine months of 1994, from a year earlier, to \$30.8 billion.

The budget again did not mention defense spending, which economists and analysts said probably was part of an "other" item in the budget totaling about \$14 billion.

The last announced figure for defense spending was in 1993, when it was put at \$16.4 billion.

(Bloomberg, AFP, Reuters)

INTERNATIONAL STOCKS

European Bourses Count the Days

Bloomberg Business News

BRUSSELS — When Henri Servais talks about the European Union's stock-market reforms that are to take effect a year from now, he sounds like a soldier about to enter battle. "When your livelihood is flowing away, you have to stop the blood," said Mr. Servais, who is chairman of the Brussels stock exchange.

The Investment Services Directive worries officials at Brussels and other small European financial centers. Beginning Jan. 1, stockbrokers and others who trade directly on exchanges will be able to do business anywhere in the EU from their home offices, as long as they are licensed in one member state.

Under the current system in most EU countries, brokers must set up offices in each market where they wish to trade, or else investors who want to pay local brokers to trade on their behalf.

"The new rules will give investment companies European passports to trade where they like," said Raniero Vanni d'Archirafi, the EU commissioner in charge of the single market. He drafted the legislation.

London Europe's main financial center, is most likely to benefit from the new rules. By making it easier for investors to trade across the EU from one location, the investment companies are likely to focus their resources where the most buyers and sellers can be found.

Companies will probably show greater interest in listing their shares on major exchanges such as London. The City,

will use their local stockbroker, but competition will increase among international players."

With listing restrictions eased, stock trading in Europe in the future may occur increasingly on screen-based systems such as the one used by the Nasdaq over-the-counter market in the United States. This would further weaken smaller exchanges.

Information companies such as Reuters Holdings PLC are looking at the possibility of organizing such a system comprising the most actively traded European equities. The EU is also coordinating efforts to create an index of 250 blue-chip stocks, to be called Eurolist.

"It'll be like shopping in one large department store rather than in a series of boutiques," said David Steyn, managing director of Quastor Investment Management.

Small stock markets are rapidly reforming to ensure that they have a future. The Brussels stock exchange has scrapped its system of commission payments based on a broker's earnings and replaced it with one based on the amount of trade routed through the market.

The Amsterdam stock exchange has split wholesale trade, for the institutional investor, from retail trade, for the personal investor, to make trading easier for both.

Analysts still said they expected the number of European stock markets to shrink. There are 30 exchanges in Europe, compared with just eight in the United States.

The Thinking Ahead column by Reginald Dale will resume Jan. 10.

CURRENCY & INTEREST RATES

Cross Rates

	Jan. 2	Dec. 30
Amsterdam	1.25	1.27
Brussels	1.08	1.08
Frankfurt	1.50	1.50
London	1.20	1.20
Madrid	12.93	12.62
Milan	1.60	1.60
New York	1.60	1.60
Paris	1.40	1.40
Tokyo	1.20	1.20
Toronto	1.20	1.20
Zurich	1.20	1.20

Crosses in Amsterdam, Tokyo in other centers. a: To buy one pound; b: To buy one dollar.

* Units of 100; N.G.: not quoted; N.A.: not available.

Source: ING Bank (Amsterdam); Industrial Finance (Paris); Banca Commerciale Italiana (Milan); Acciona Financiera Pravia (Paris); Royal Bank of Canada (Toronto); IMF (SDR).

Other Data: Other data from Reuters and AP.

Forward Rates

	30-day	90-day	1-year	3-year	5-year

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Textile Accords Draw Mixed Reviews in India

Compiled by Our Staff From Dispatches

NEW DELHI — Indian officials hailed new agreements with the United States and the European Union on textiles Monday, but an industry group was less enthusiastic in its response to the accords.

The agreements, signed Saturday in Washington and Brussels, significantly increase or remove import quotas for Indian textiles, officials said.

But H. V. Lal Ringa, director-general of the Apparel Export Promotion Council, the country's largest group of exporters, described the agreement with Washington only as "fairly satisfactory." He had no comment on the pact with the EU, saying he was awaiting details.

The agreement gives India a 20 percent increase in its export quota in the United States and grants phased-in access to the Indian market for American-made textiles and garments over the next few years.

America and the EU together buy more than two-thirds of India's textile exports.

For its part, India will ease its tariffs on certain goods in stages over three to seven years and remove all yarns and fibers from its restricted list of imports.

In the agreement with the United States, cotton made-ups, which are items such as

table linen and napkins, have been freed from quota restrictions, the Indian government said. It said this category accounted for 20 percent of India's previous export quota.

Quotas were also increased for Indian towels, yarns, fabrics and cotton handloom garments.

The accord with the EU removes restrictions on India's exports of handloom and cottage-industry products.

India said the two agreements included a "safeguard clause" saying tariffs would return to levels Jan. 1, 1990, if the integration process planned for developed countries under the Uruguay Round of world trade agreement "does not materialize in full" or is delayed.

Textiles account for more than a quarter of India's exports, which in the last fiscal year amounted to nearly \$22 billion. The agreements followed India's move to amend its protectionist Patents Act, which now permit multinational corporations to apply for patents on products in the agricultural, chemical and pharmaceutical sectors.

Previous Indian law only allowed for patents on processes in those sectors. India was required to change the laws on joining the World Trade Organization, which began operating with the new year. (AP, AFP)

Tokyo Toasts the New Year

Growing Economy Keeps Stocks Hot

Bloomberg Business News

TOKYO — After finishing 1994 with the best showing of any of the world's major stock markets, Tokyo is still the place to be in 1995, many analysts here said.

"I am still very bullish," said Olivier Gayno, chief portfolio manager at Gamma Asset Management, which manages about 10 billion yen (\$100 million) in Japanese stocks.

"The economic recovery is stronger than most people expected."

The Nikkei Stock Average of 225 shares rose 13 percent. In dollar terms, it was up 27 percent.

The Dow Jones industrial average, by comparison, rose just 2 percent. In London, the Financial Times-Stock Exchange 100 index fell 10 percent.

Some analysts said the Nikkei could climb 25 percent this year as corporate earnings rise to their highest levels in five years. To make the most of the rise, they said, remember the three C's: cyclical, consumption and computerization.

In other words, analysts recommend stocks that will benefit from economic recovery, rising consumer spending and the drive by companies and individuals to invest in up-to-date technology.

High on analysts' shopping list for 1995: steel stocks such as Nippon Steel Corp.; automotive issues such as Honda Motor Co.; machinery stocks; computer makers such as NEC Corp.; and discount retailers.

Those who still doubted whether Japan's economy was back on track were given proof last week in the form of November economic figures. Industrial production rose 2.7 percent in November from October, ending two months of declines. The unemployment rate fell to 2.9 percent after hovering at 3.0 percent for four months, and sales at large retailers rose for the first time since July.

"After four years of pretty tough times, any increase in sales will lead to a pretty good pop in earnings," said Kenneth Couris, senior economist at Deutsche Bank Capital Markets (Asia) Ltd. "Once people start to understand that there is real growth, the Nikkei will challenge the 22,000 level."

Even the most optimistic analysis recognizes that their prognosis was not certain. If the yen were to rise as much as it did in 1994 — reducing the dollar's value to 96.6 yen from the current level of just below 100 — all bets would be off. A strong yen makes Japanese goods relatively expensive overseas, meaning that big exporters would be priced out of markets they depend on for revenue.

Many analysts said the market was still plagued with fundamental problems. The most striking one is the fact that the average price/earnings ratio for Japanese stocks is about 70, while in the United States, anything higher than 20 raises eyebrows.

But signs of economic strength will become too good to ignore this year, bullish investors say, and will drag even reluctant Japanese investors back into the market.

Analysts tell investors to look for the companies that have aggressively cut costs and have shares of their markets and few competitors. "You have to make sure they keep cutting costs to stay competitive," said Chisato Haga-numa, a strategist at Nomura Research Institute.

"The weak economy was a good excuse to cut, but in Japan, it will become more difficult once the economy starts improving," he added.

"The driving force of the recovery will be consumption," said Jim Vestal, chief economist at Barclays de Zoete Wedd Securities (Japan) Ltd. "Inflation is clearly not a problem, and that is going to boost consumer spending."

China Rates Increase To Cool Spending

Reuters

BEIJING — China has raised interest rates on loans for capital investment, the People's Daily reported Monday, saying spending on fixed assets soared in 1994 despite a credit squeeze.

While the official newspaper hailed achievements in infrastructure growth in 1994, the government outlined measures to limit spending. A surfeit of investment in China has been causing shortages of construction materials. Such shortages have led to price rises.

The central bank raised its lending rates to banks and companies by an average of 0.24 percentage point effective Sunday to try to control inflation, which is now over 21 percent. Rates on loans for fixed-asset investment rose by an average of 0.72 percentage points.

After the move, three-year interest rates on loans for technical renovations rose to 11.7 percent from 10.98 percent, while rates on loans for capital-construction projects rose to 12.96 percent from 12.24 percent, the newspaper said.

Investment in fixed assets totaled 1.6 trillion yuan (\$189 billion) in 1994, up 25 percent compared with 1993.

Investment in what the official newspaper called "pillar" industries and infrastructure soared by 50 percent.

China laid 23 percent more railroad track in 1994 than it did in 1993. The country completed eight new airports and 53 new power-generating units.

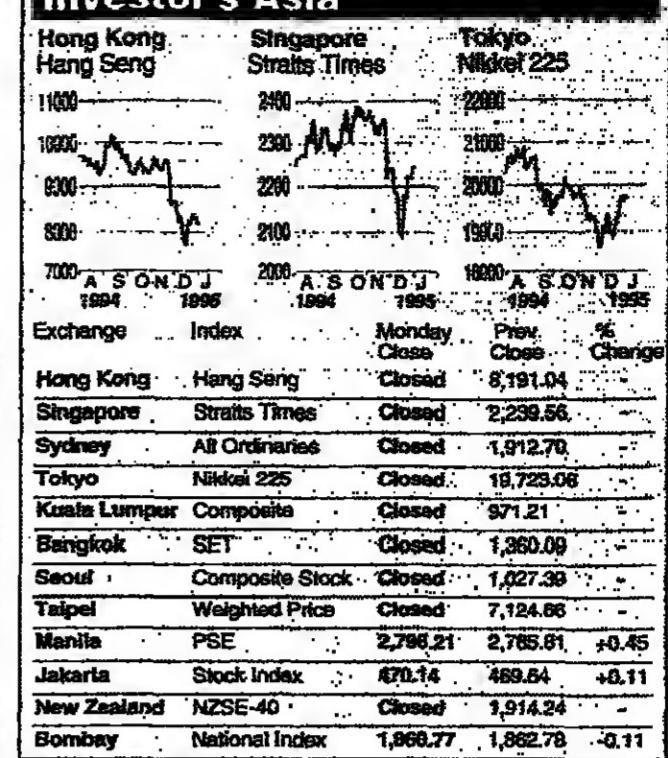
Joint-Venture Scrutiny

China is to step up auditing in 1995 of Chinese-foreign joint ventures in which the government has a stake, the Xinhua news agency said Monday.

Auditors will focus on resolving disputes arising from foreign partners' capitalizing on the introduction of equipment or the export of goods, said Guo Zhenqian, auditor-general of the Auditing Administration.

Chinese media have accused foreign partners of some joint ventures of overstating the value of imported equipment.

Investor's Asia



Sources: Reuters, AFP

International Herald Tribune

Very briefly:

- Levi Strauss & Co. established a wholly owned affiliate in Bangalore to market jeans and other clothing in India.

- Pakistans opened its market to foreign life insurance companies and cleared an application by Commercial Union Assurance Co. of Britain to begin operating in the country.

- NEC Corp. will put a personal computer on the market this month priced at around 100,000 yen (\$1,000), to try to compete with other companies' IBM-compatible computers, the Nihon Keizai newspaper said.

- Mission Energy Corp. and Texaco Inc. are negotiating with state-run National Power Corp. in the Philippines to build a 300-megawatt power plant south of Manila.

- Siemens AG said it planned 30 new joint ventures in China, where the German electrical and industrial concern now has 20.

Bloomberg, AFP, Reuters

Vietnamese Export Zones: Add Water and Wait

Agence France-Presse

HAIPHONG, Vietnam — This port city has ambitions to be the next Hong Kong.

A computer-generated drawing of the planned Haiphong Export Processing Zone shows rows of factories, gleaming glass office towers and luxurious houses on 300 hectares (720 acres) of reclaimed land.

Airport Budget To Increase In Hong Kong

The Associated Press

HONG KONG — The government will ask the Legislative Council later this month to approve an additional 2.4 billion Hong Kong dollars (\$307 million) for construction of the territory's new airport, an official said Monday.

Finance Secretary Sir Hamish Macleod said the money would be used to build government facilities at the airport, now under construction on Chek Lap Kok island.

The government so far has received 90 percent of the funds needed for the \$20.3 billion project and has awarded 102 contracts worth more than \$8.3 billion.

Mr. Macleod said Monday that the site is one of six such projects at the center of Vietnam's plans to attract foreign investment by developing export processing zones — manufacturing areas where imports and exports are tax-free.

But so far only a fence has been built at the Haiphong site, and one of the developers estimates the project could take 15

years and \$1 billion to complete.

Promoters of the Haiphong export zone are finding that tax breaks and licensing shortcuts may not be enough to draw investors until Vietnam straightens out an infrastructure that has developed little in a century.

Arthur Kavanagh, a United Nations Industrial Development Organization specialist,

was quoted in a Vietnamese newspaper as saying that most Vietnamese export zones would not work "because of their unsuitable locations and the high cost of infrastructure."

Despite Haiphong's advantages — a good location, a port, and plentiful cheap labor — the export zone suffers from a shortage of capital needed to

build the power plants, water works and transport links crucial to its success.

"At first the government said they would do it all," said Dan Duc Hiep, vice chairman of the company that is developing the Haiphong project. "But we are now finding out we will have to provide our own water and electricity."

Foreign Investment Up

Foreign companies pledged a record \$3.7 billion to projects in Vietnam during 1994, taking total foreign investment pledged since 1988 to \$10.9 billion. Reuters reported Monday.

Tourism projects would include golf courses, a cable-car link between Sihanoukville, formerly known as Kompong Som, and nearby Naga Island, an ecology theme park, a water theme park, a marina-and-yacht club and several hotels, Mr. Chen said.

Mr. Chen said the entire project was expected to be completed in 10 to 15 years. He said his company would welcome additional Malaysian partners.

Mr. Chen said Ariston had held talks with a number of Malaysian companies on the possibility of setting up joint ventures in various phases of the project. "Some of these companies have expressed very keen interest," he said.

He said Malaysia Airport Bhd. was a "potential candidate" to manage the Sihanoukville airport.

(Reuters, AP)

Compiled by Our Staff From Dispatches

KUALA LUMPUR — Ariston Sdn., a private Malaysian company, signed an agreement Monday to carry out a \$1 billion tourism and infrastructure project in Sihanoukville, Cambodia.

The agreement to upgrade the city's power and water supplies, highways, and airports constitutes the largest foreign investment to date in Cambodia. A total of \$2 billion in investments in Cambodia has been approved since the country adopted a new investment law in August.

Ariston, controlled by the Malaysian entrepreneur Chen Lip Keong, said the project was intended to serve as a catalyst for other Malaysian companies to invest in Cambodia.

"Ariston shall be a trailblazer for Malaysian corporations," Mr. Chen said after the signing in Kuala Lumpur, witnessed by Cambodia's prime minister, Prince Norodom Ranariddh and Hun Sen, and by Prime Minister Mahathir bin Mohamad of Malaysia.

Ariston is part of the private Lipkland group of companies owned by Mr. Chen, who is also president and chief executive of two Malaysian listed firms, FABC Bhd. and Kanzen Bhd. Lipkland group also owns Cambodia's only private college and the Cambodian Times newspaper.

He said Malaysia Airport Bhd. was a "potential candidate" to manage the Sihanoukville airport.

(Reuters, AP)

Tourism Project Set for Cambodia

Compiled by Our Staff From Dispatches

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SPORTS

Behind Frazier, Nebraska Sinks Miami and Stakes Championship Claim

USC Tramples Texas Tech To Set Cotton Bowl Record

Reuters
Rob Johnson threw three of his four touchdowns to Keyshawn Johnson as Southern California rolled to a record-setting 55-14 rout of Texas Tech on Monday in the Cotton Bowl in Dallas.

USC's 55-point outburst set a Cotton Bowl scoring record, breaking the mark of 46 scored by Miami against Texas in 1991.

Johnson completed 16-of-21 passes for 289 yards and four touchdowns as USC raised its record to 8-3-1. Texas Tech fell to 6-6.

Johnson, who surpassed Rodney Peete as USC's all-time passing leader, tied a Cotton Bowl mark with his four touchdowns tosses and finished just three yards shy of the record for yards passing set by Kevin Murray of Texas A&M against Auburn in 1986.

Keyshawn Johnson had eight receptions for a Cotton Bowl record 222 yards and three touchdowns, covering 12, 22 and 86 yards.

USC set the tone early, putting up 34 points in the first half, including 28 points in the first quarter. Texas Tech gained 52 yards in the first half against 334 for the Trojans.

The Red Raiders became the latest Southwest Conference representative to lose in the Cotton Bowl.

The Southwest Conference team has lost the last seven Cotton Bowls, with Texas A&M's 35-10 victory over Notre Dame on Jan. 1, 1988, being the last win by a member school.

The game marked the end of a 55-year marriage between the Cotton Bowl and the Southwest Conference. Next year, the Cotton Bowl will align itself with the Western Athletic Conference.

Wisconsin Defeats Duke
Terrell Fletcher rushed for 241 yards on 39 carries and scored two touchdowns to lead Wisconsin to a 34-20 victory over Duke in the Hall of Fame Bowl in Tampa, Florida.

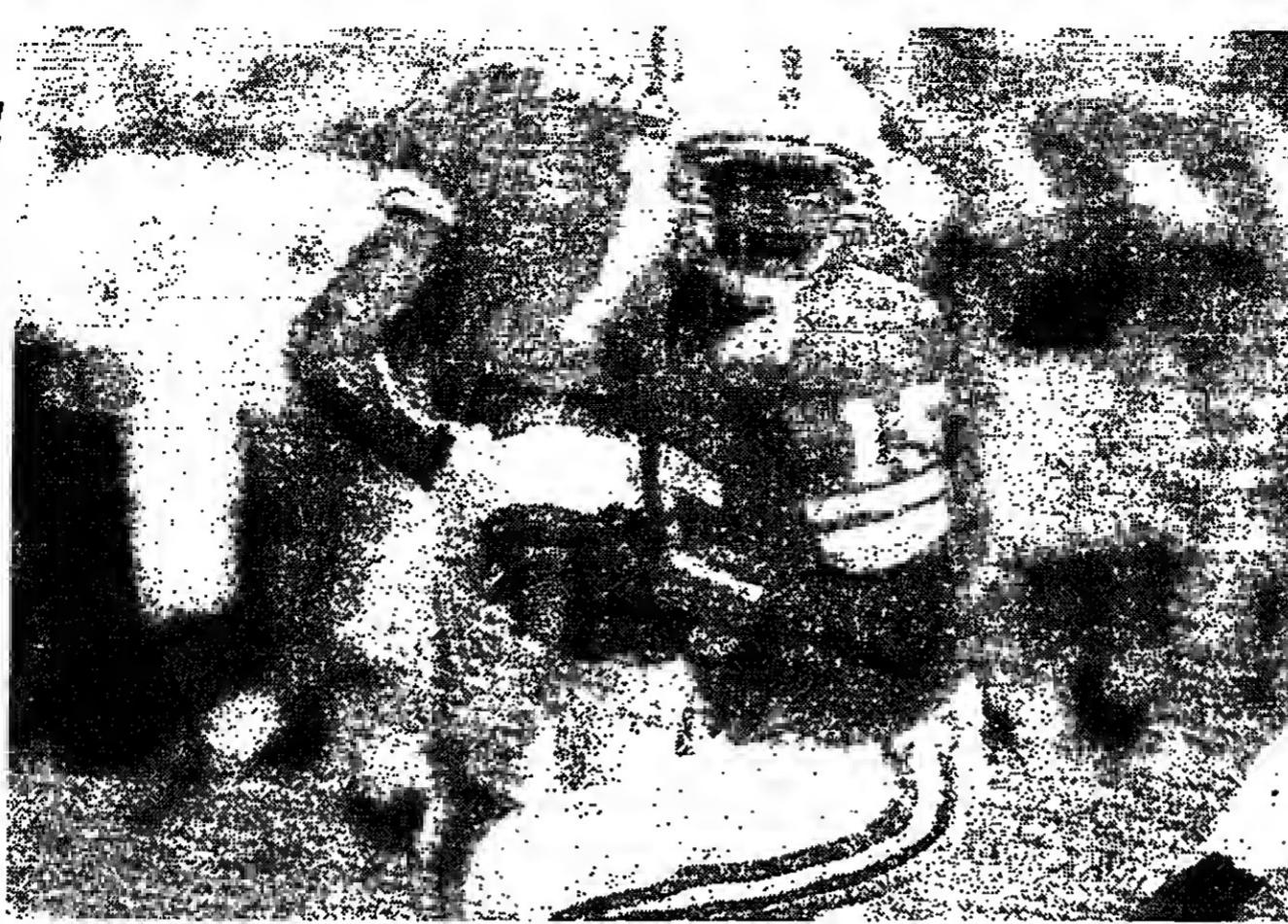
It was the first-ever meeting of the schools and marked only the second bowl appearance in 34 years for Duke, which finished the season 8-4.

The Badgers of Wisconsin ended the season with a 7-4-1 record.

Fletcher, who had his role increased since the tailback Brent Moss was dismissed from the team in November, scored on a one-yard run in the third quarter to snap a 13-13 tie and broke off a 49-yard touchdown run with 1:31 remaining in the fourth quarter to seal the victory.

Fletcher, Wisconsin's all-time leader in all-purpose yardage, had rushed for 357 yards in the Badgers' last two games.

Duke quarterback Spence Fischer was intercepted four times, including three times in the first quarter when Wisconsin grabbed a 13-0 lead.



Mark Lander/The Associated Press

By Ken Denlinger
Washington Post Service

MIAMI — In a storybook ending to a special season, quarterback Tommie Frazier led a fourth-quarter comeback that gave top-ranked Nebraska a 24-17 victory over No. 3 Miami in the Orange Bowl.

The victory Sunday night was Nebraska's first in its past eight bowls and almost surely assured Tom Osborne of his first national championship in 22 years as head coach.

Nebraska ended the season 13-0 with a victory over a Miami team (10-2) ranked third and having won 62 of its previous 63 games in their home stadium. No. 2 Penn State was to play No. 12 Oregon on Monday in the Rose Bowl.

Nebraska scored the last 17

points and fullback Cory Schlesinger accounted for the final two Cornhusker touchdowns, including the winner on a 14-yard run with 2:46 left.

But the spark on the game-winning, 58-yard drive came from Frazier, who missed the last eight regular season games with blood clots behind his right knee and was an uncertain starter until last week.

Twice Frazier kept the ball on option plays. The first time he gained 21 yards. On the second, he gained six to earn the Cornhuskers a first down at 14. With Miami concerned about Frazier, Schlesinger rummaged up the middle for the winning points.

Only a junior, Frazier achieved most of his goals in his third Orange Bowl start. Even though he was just 3-for-5 passing and carried the ball only seven times for 31 yards, he was named the game's most valuable player.

"When I signed here," he said, "that was one of the things I wanted to do — win the na-

tional championship. Everyone was so excited you couldn't hear yourself. People bugging. People crying. One of those moments you savor for a lifetime."

Frazier started and then gave way to Brook Berringer on the third series. That was expected.

What was not necessarily certain was Frazier getting back in, because Berringer played well. After he threw an interception on first and goal from the 4 early in the fourth quarter, however, Frazier returned.

Miami's coach, Dennis Erickson, was upset with his team for accumulating 10 penalties for 88 yards. Also, wide receiver Taj Johnson was open for a sure touchdown just beyond midfield on the drive before Nebraska's game-winner, but quarterback Frank Costa's pass sailed long.

The late drama began midway through the fourth quarter when Miami snapper Jeffrey Taylor hiked the ball over punter Dane Prewitt's head. With the ball on the ground at his 10, Prewitt sent it through the end zone with a left-footed swipe for what the Cornhuskers thought was a safety.

But the Hurricanes were called for an illegal kick and Nebraska ended up with first and goal at the 4. But, on first down, Berringer's rollout pass was intercepted by Miami's Earl Little in the end zone.

That brought Frazier back into the game — and on his second possession he directed a two-play, 40-yard drive that ended with Schlesinger powering in from the 15. Frazier then hit tight end Eric Alford in the middle of the end zone for the two-point conversion that tied the game at 17-17 with 7:38 left.

As expected, Nebraska moved its all-American right guard, Brenden Sui, to left guard to counter Miami's defensive stalwart, tackle Warren Sapp. The move worked beautifully on the game's first play, when I-back Lawrence Phillips gained five yards up the middle.

However, nothing much else went right for the Cornhuskers the rest of the first quarter and the Costa-led Hurricanes gained a 10-0 lead.

Frazier threw three passes on the first two Nebraska possessions and they ran the gamut — a four-yard completion, a medium throw that had no chance of being complete and a heave that was intercepted.

That interception, by Carlos Jones, started a 97-yard drive that put Miami up 10-0.

The Hurricanes could have been ahead by more, but a 15-yard penalty for offensive pass interference cost them a first down inside the Nebraska 10 on their first possession and they had to settle for Prewitt's 44-yard field goal.

Frazier was not totally ineffective, but Berringer replaced him at about the time Osborne had said — on the Cornhuskers' third possession.

Nebraska continued to run Phillips most of the time — and that set up Berringer's 19-yard pass to backup tight end Mark Gilman for a TD midway through the second quarter.

With Miami concentrating on the run on first down, the 240-pound Gilman got behind the defense, caught Berringer's pass inside the 5 and stumbled into the end zone.

Costa gave Miami a 17-7 lead on the first possession of the third quarter. Again his receiver, this time tailback Jonathan Harris, was equally effective.

On second and nine at the Nebraska 44, the 5-foot-9 Harris took a short pass to his left and then cut back toward the middle of the field. He broke past defensive back Karen Moss and then eluded two more defenders before powering into the end zone.

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North Carolina State Rallies to Win the Peach Bowl

The Associated Press

ATLANTA — Terry Harvey passed for one touchdown and set up another just over three minutes later with a 62-yard completion as No. 23 North Carolina State rallied to beat Mississippi State, 28-24, in the Peach Bowl.

Harvey connected with Dallas Dickerson on a 3-yard scoring pass with 1:12 left in the third quarter on Sunday and then ran for a 2-point conversion that tied the game at 21.

After State failed to get a first down, Harvey took the Wolfpack (9-3) 80 yards in four plays, with Carlos King getting the final 11 yards with 13:06 to play.

Mississippi State (8-4) reached the Wolfpack 28 in the closing minutes, but couldn't overcome a 15-yard face-mask penalty.

Other Bowl Games

ROSE: Joe Paterno now has another reason for backing a postseason playoff. Since the mid-1960s, when polls began to be released after the bowl games, only three teams have finished with a perfect record, won a major postseason bowl game and not earned at least a portion of the national championship.

All three teams have been Paterno-coached Penn State clubs — and it could

happen a fourth time if the No. 2 Nittany Lions beat underdog Oregon on Monday in the Rose Bowl.

CITRUS: Of the lesser games, this bowl in Orlando, Florida, has the best lineup and the most storied teams. Combining the histories of Alabama (11-1) and Ohio State (9-3), there are 1,370 games, 72 bowl games and nine national championships.

This game has meaning for Alabama's seniors. They have a 44-5-1 record, including the 1992 national title. With one more victory, they would set a school record for the most victories by one class.

(AP, WP)

Bears Roll to Upset Victory Over the Bumbling Vikings

By Michael Wilbon
Washington Post Service

MINNEAPOLIS — For so long this season, it looked as if the Minnesota Vikings might be the National Football Conference's best bet to break the Cowboys' 49ers' stranglehold on the conference. But playing at home against arguably the weakest team in the entire playoffs field, the Vikings stumbled and fumbled and bumbled their way to yet another first-round playoff loss.

The Chicago Bears took advantage of four Vikings turnovers and got yet another efficient performance from quarterback Steve Walsh to take a 33-18 victory over the stunned Vikings in the Metrodome on Sunday.

After scoring only three points on two Chicago turnovers to start the game, the Vikings collapsed under the weight of their own turnovers and 11 penalties, two of which nullified touchdowns.

It was a particularly bitter defeat for the Vikings, who swept the Bears in the regular season and had legitimate hopes of challenging the Cowboys next week in Dallas. Instead, the Packers will visit the Cowboys on Sunday and the Bears will go to San Francisco, where they will be enormous underdogs on Saturday.

The Bears in no way looked like the only playoff team with no Pro Bowl players or a team that allowed more points than it scored during the regular season. Sunday's 35 points were the most Chicago scored all season. Chicago drove 80 yards in 16

plays to take a 7-3 lead early in the second quarter. Then the Bears went 71 yards on four plays after Warren Moon was intercepted (though wide receiver Qadry Ismail was at fault for bobbling the perfect pass) to take a 14-3 lead.

Minnesota got within 14-9, but Chicago's Raymond Harris got loose for a 29-yard run that made it 21-9 to open the third quarter. And after a Vikings field goal, Walsh hit Jeff Graham on a 21-yard pass to make it 28-12 Chicago.

Walsh, 9-3 this season as a starter, killed the Vikings with the short passing game, completing 15-of-23 for 221 yards.

"This is a big statement for us," Walsh said. "All the little things went right for us. This is something you don't hear often, but we know we have the ability."

Ability is the one category in which the Vikings appeared to have a decisive advantage, particularly on offense. But while Lewis set club playoff records by completing 29 of 52 passes (292 yards and two touchdowns), his two interceptions hurt almost as much as the absence of a running game.

The Vikings did manage to rough the quarterback out by failing to score despite having great field position. They started consecutive series at the Bears 6 (after a Lewis fumble), the Bears 39 (after Walsh tipped and intercepted) and the Bears 33 (after Robert Smith's 58-yard kick return). All of that produced one fumble, one 29-yard field goal for a 3-0 lead in the first quarter.

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Moon was limping heavily after the game. Questions persisted about his playoff disappointments; this is his fourth straight postseason loss, and sixth of his past seven.

The key series of the game might have been at the start of the fourth quarter. The Vikings had gotten a 48-yard field goal from Reveiz to creep within 21-12 with five seconds left in the third. But on the ensuing kickoff, Reveiz's kick went out of bounds, spotting the Bears the ball at their 40. To make matters worse, John Randle was called for roughing the quarterback at the end of a 12-yard completion, moving the Bears to the Minnesota 33. The next play, the Vikings were offsides, backing the Bears to the 28.

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